

**CORPORATE INTEGRITY AGREEMENT  
BETWEEN THE  
OFFICE OF INSPECTOR GENERAL  
OF THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES  
AND  
STEVEN MENDELSON, M.D.  
ZWANGER & PESIRI RADIOLOGY GROUP, LLP  
AND  
ZWANGER RADIOLOGY, P.C.**

**I. PREAMBLE**

Steven Mendelsohn, M.D. (Mendelsohn), Zwanger & Pesiri Radiology Group, LLP, and Zwanger Radiology, P.C., (hereinafter collectively, Mendelsohn-Zwanger Pesiri) 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 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)) (Federal health care program requirements). This CIA applies to Mendelsohn-Zwanger Pesiri, any entity that provides items or services that will be billed to Federal health care programs in which Mendelsohn-Zwanger Pesiri, or any of them, has an ownership or control interest, as defined in 42 U.S.C. § 1320a-3(a)(3), at any time during the term of the CIA, and to all Covered Persons as defined in Section II.C. Contemporaneously with this CIA, Mendelsohn-Zwanger Pesiri is entering into a Settlement Agreement with the United States.

**II. TERM AND SCOPE OF THE CIA**

A. The period of the compliance obligations assumed by Mendelsohn-Zwanger Pesiri under this CIA shall be five years from the effective date of this CIA. The “Effective Date” shall be the date on which the final signatory of this CIA executes this CIA. Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a “Reporting Period.”

B. Sections VII, X, and XI shall expire no later than 120 days after OIG’s receipt of: (1) Mendelsohn-Zwanger Pesiri’s final Annual Report or (2) any additional

materials submitted by Mendelsohn-Zwanger Pesiri pursuant to OIG's request, whichever is later.

C. For purposes of this CIA, the term "Covered Persons" includes: (1) all owners, officers, directors, and employees of Mendelsohn-Zwanger Pesiri; and (2) all contractors, subcontractors, agents, and other persons who furnish patient care items or services or who perform billing or coding functions on behalf of Mendelsohn-Zwanger Pesiri, excluding vendors whose sole connection with Mendelsohn-Zwanger Pesiri is selling or otherwise providing medical supplies or equipment to Mendelsohn-Zwanger Pesiri.

D. For purposes of this CIA, the term "Review Location" shall mean any location where Mendelsohn-Zwanger Pesiri furnishes patient care items or services that are billed to Federal health care programs.

### **III. CORPORATE INTEGRITY OBLIGATIONS**

Mendelsohn-Zwanger Pesiri shall establish and maintain a Compliance Program that includes the following elements:

#### **A. Compliance Officer, Compliance Committee and Management Compliance Obligations**

1. *Compliance Officer.* Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall appoint a Compliance Officer and shall maintain a Compliance Officer for the term of the CIA. The Compliance Officer shall be an employee and a member of senior management of Mendelsohn-Zwanger Pesiri, shall report directly to the Chief Executive Officer of Mendelsohn-Zwanger Pesiri, and shall not be or be subordinate to the General Counsel or Chief Financial Officer or have any responsibilities that involve acting in any capacity as legal counsel or supervising legal counsel functions for Mendelsohn-Zwanger Pesiri. The Compliance Officer shall be responsible for, without limitation:

- a. 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 requirements;
- b. making periodic (at least quarterly) reports regarding compliance matters directly to the Chief Executive Officer of

Mendelsohn-Zwanger Pesiri and shall be authorized to report on such matters to the Chief Executive Officer at any time. Written documentation of the Compliance Officer's reports to the Chief Executive Officer shall be made available to OIG upon request; and

- c. monitoring the day-to-day compliance activities engaged in by Mendelsohn-Zwanger Pesiri as well as any reporting obligations created under this CIA.

Any noncompliance job responsibilities of the Compliance Officer shall be limited and must not interfere with the Compliance Officer's ability to perform the duties outlined in this CIA.

Mendelsohn-Zwanger Pesiri shall report to OIG, in writing, any changes in the identity 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, within five days after such a change.

2. *Compliance Committee.* Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall appoint a Compliance Committee. The Compliance Committee shall, at a minimum, include the Compliance Officer and other members of senior management necessary to meet the requirements of this CIA (e.g., senior executives of relevant departments, such as billing, clinical, human resources, audit, and operations). 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 Mendelsohn-Zwanger Pesiri's risk areas and shall oversee monitoring of internal and external audits and investigations). The Compliance Committee shall meet at least quarterly. The minutes of the Compliance Committee meetings shall be made available to OIG upon request.

Mendelsohn-Zwanger Pesiri shall report to OIG, in writing, any actions or changes that would affect the Compliance Committee's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

3. *Management Certifications.* In addition to the responsibilities set forth in this CIA for all Covered Persons, certain Mendelsohn-Zwanger Pesiri employees (Certifying Employees) are expected to monitor and oversee activities within their areas of authority and shall annually certify that the applicable Mendelsohn-Zwanger Pesiri department is in compliance with applicable Federal health care program requirements

and the obligations of this CIA. These Certifying Employees shall include, at a minimum, the following: Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice President of Billing, Vice President of Operations, and all other members of senior management and the leaders of all business units, divisions or departments with operations that relate to the Federal health care programs. For each Reporting Period, each Certifying Employee shall sign a certification that states:

“I have been trained on and understand the compliance requirements and responsibilities as they relate to [insert name of department], an area under my supervision. My job responsibilities include ensuring compliance with regard to the [insert name of department] with all applicable Federal health care program requirements, obligations of the Corporate Integrity Agreement, and Mendelsohn-Zwanger Pesiri policies, and I have taken steps to promote such compliance. To the best of my knowledge, the [insert name of department] of Mendelsohn-Zwanger Pesiri is in compliance with all applicable Federal health care program requirements and the obligations of the Corporate Integrity Agreement. I understand that this certification is being provided to and relied upon by the United States.”

If any Certifying Employee is unable to provide such a certification, the Certifying Employee shall provide a written explanation of the reasons why he or she is unable to provide the certification outlined above.

**B. Written Standards**

Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall develop and implement written policies and procedures regarding the operation of its compliance program, including the compliance program requirements outlined in this CIA and Mendelsohn-Zwanger Pesiri’s compliance with Federal health care program requirements (Policies and Procedures). Throughout the term of this CIA, Mendelsohn-Zwanger Pesiri shall enforce its Policies and Procedures and shall make compliance with its Policies and Procedures an element of evaluating the performance of all employees. The Policies and Procedures shall be made available to all Covered Persons.

At least annually (and more frequently, if appropriate), Mendelsohn-Zwanger Pesiri shall assess and update, as necessary, the Policies and Procedures. Any new or revised Policies and Procedures shall be made available to all Covered Persons.

All Policies and Procedures shall be made available to OIG upon request.

C. Training and Education

1. *Covered Persons Training.* Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall develop a written plan (Training Plan) that outlines the steps Mendelsohn-Zwanger Pesiri will take to ensure that all Covered Persons receive at least annual training regarding Mendelsohn-Zwanger Pesiri's CIA requirements and Compliance Program and the applicable Federal health care program requirements, including the requirements of the Anti-Kickback Statute and the Stark Law. The Training Plan shall include information regarding the following: training topics, categories of Covered Persons required to attend each training session, length of the training session(s), schedule for training, and format of the training. Mendelsohn-Zwanger Pesiri shall furnish training to its Covered Persons pursuant to the Training Plan during each Reporting Period.

2. *Training Records.* Mendelsohn-Zwanger Pesiri shall make available to OIG, upon request, training materials and records verifying that Covered Persons have timely received the training required under this section.

D. Review Procedures

1. *General Description*

a. *Engagement of Independent Review Organization.* Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall engage an entity (or entities), such as an accounting, auditing, or consulting firm (hereinafter "Independent Review Organization" or "IRO"), to perform the reviews listed in this Section III.D. The applicable requirements relating to the IRO are outlined in Appendix A to this CIA, which is incorporated by reference.

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

2. *Claims Review.* The IRO shall review claims submitted by Mendelsohn-Zwanger Pesiri and reimbursed by the Medicare and Medicaid programs, to determine whether the items and services furnished were medically necessary and

appropriately documented and whether the claims were correctly coded, submitted and reimbursed (Claims Review) and shall prepare a Claims Review Report, as outlined in Appendix B to this CIA, which is incorporated by reference.

3. *Independence and Objectivity Certification.* The IRO shall include in its report(s) to Mendelsohn-Zwanger Pesiri a certification that the IRO has (a) evaluated its professional independence and objectivity with respect to the reviews required under this Section III.D and (b) concluded that it is, in fact, independent and objective, in accordance with the requirements specified in Appendix A to this CIA. The IRO's certification shall include a summary of all current and prior engagements between Mendelsohn-Zwanger Pesiri and the IRO.

E. Risk Assessment and Internal Review Process

Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall develop and implement a centralized annual risk assessment and internal review process to identify and address risks associated with Mendelsohn-Zwanger Pesiri's participation in the Federal health care programs, including but not limited to the risks associated with the submission of claims for items and services furnished to Medicare and Medicaid program beneficiaries. The risk assessment and internal review process shall require compliance, legal, and department leaders, at least annually, to: (1) identify and prioritize risks, (2) develop internal audit work plans related to the identified risk areas, (3) implement the internal audit work plans, (4) develop corrective action plans in response to the results of any internal audits performed, and (5) track the implementation of the corrective action plans in order to assess the effectiveness of such plans. Mendelsohn-Zwanger Pesiri shall maintain the risk assessment and internal review process for the term of the CIA.

F. Disclosure Program

Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall establish a Disclosure Program that includes a mechanism (e.g., a toll-free compliance telephone line) 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 Mendelsohn-Zwanger Pesiri's policies, conduct, 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. Mendelsohn-Zwanger Pesiri shall appropriately publicize the existence of the disclosure mechanism (e.g., via periodic e-mails to employees or by posting the information in prominent common areas).

The Disclosure Program shall emphasize a nonretribution, nonretaliation policy and shall include a reporting mechanism for anonymous communications for which appropriate confidentiality shall be maintained. The Disclosure Program also shall include a requirement that all of Mendelsohn-Zwanger Pesiri's Covered Persons shall be expected to report suspected violations of any Federal health care program requirements to the Compliance Officer or other appropriate individual designated by Mendelsohn-Zwanger Pesiri. 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, Mendelsohn-Zwanger Pesiri shall conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is conducted.

The Compliance Officer (or designee) shall maintain a disclosure log and shall record each disclosure in the disclosure log within two business days of receipt of the disclosure. The disclosure log shall include a summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews.

#### G. Ineligible Persons

1. *Definitions.* For purposes of this CIA:
  - a. an "Ineligible Person" shall include an individual or entity who:
    - i. is currently excluded from participation in any Federal health care program; or
    - ii. has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded.
  - b. "Exclusion List" means the HHS/OIG List of Excluded Individuals/Entities (LEIE) (available through the Internet at <http://www.oig.hhs.gov>).

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

- a. Mendelsohn-Zwanger Pesiri shall screen all prospective Covered Persons against the Exclusion List prior to engaging their services and, as part of the hiring or contracting process, shall require such Covered Persons to disclose whether they are Ineligible Persons.
- b. Mendelsohn-Zwanger Pesiri shall screen all current Covered Persons against the Exclusion List within 90 days after the Effective Date and on a monthly basis thereafter.
- c. Mendelsohn-Zwanger Pesiri shall implement a policy requiring all Covered Persons to disclose immediately if they become an Ineligible Person.

Nothing in this Section III.G affects Mendelsohn-Zwanger Pesiri's responsibility to refrain from (and liability for) billing Federal health care programs for items or services furnished, ordered, or prescribed by an excluded person. Mendelsohn-Zwanger Pesiri understands that items or services furnished, ordered, or prescribed by excluded persons are not payable by Federal health care programs and that Mendelsohn-Zwanger Pesiri may be liable for overpayments and/or criminal, civil, and administrative sanctions for employing or contracting with an excluded person regardless of whether Mendelsohn-Zwanger Pesiri meets the requirements of Section III.G.

3. *Removal Requirement.* If Mendelsohn-Zwanger Pesiri has actual notice that a Covered Person has become an Ineligible Person, Mendelsohn-Zwanger Pesiri shall remove such Covered Person from responsibility for, or involvement with, Mendelsohn-Zwanger Pesiri's business operations related to the Federal health care program(s) from which such Covered Person has been excluded and shall remove such Covered Person from any position for which the Covered Person's compensation or the items or services furnished, ordered, or prescribed by the Covered Person are paid in whole or part, directly or indirectly, by any Federal health care program(s) from which the Covered Person has been excluded at least until such time as the Covered Person is reinstated into participation in such Federal health care program(s).

4. *Pending Charges and Proposed Exclusions.* If Mendelsohn-Zwanger Pesiri has actual notice that a Covered Person is charged with a criminal offense

that falls within the scope of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during the Covered Person's employment or contract term, Mendelsohn-Zwanger Pesiri shall take all appropriate actions to ensure that the responsibilities of that Covered Person have not and shall not adversely affect the quality of care rendered to any beneficiary or the accuracy of any claims submitted to any Federal health care program.

#### H. Notification of Government Investigation or Legal Proceeding

Within 30 days after discovery, Mendelsohn-Zwanger Pesiri shall notify OIG, in writing, of any ongoing investigation or legal proceeding known to Mendelsohn-Zwanger Pesiri conducted or brought by a governmental entity or its agents involving an allegation that Mendelsohn-Zwanger Pesiri 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. Mendelsohn-Zwanger Pesiri also shall provide written notice to OIG within 30 days after the resolution of the matter and a description of the findings and/or results of the investigation or proceeding, if any.

#### I. Overpayments

1. *Definition of Overpayment.* For purposes of this CIA, an "Overpayment" shall mean the amount of money Mendelsohn-Zwanger Pesiri has received in excess of the amount due and payable under any Federal health care program requirements.

2. *Overpayment Policies and Procedures.* Within 90 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall develop and implement written policies and procedures regarding the identification, quantification, and repayment of Overpayments received from any Federal health care program.

#### J. Reportable Events

1. *Definition of Reportable Event.* For purposes of this CIA, a "Reportable Event" means anything that involves:

- a. a substantial Overpayment;
- b. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable

to any Federal health care program for which penalties or exclusion may be authorized;

- c. the employment of or contracting with a Covered Person who is an Ineligible Person as defined by Section III.G.1.a; or
- d. the filing of a bankruptcy petition by Mendelsohn-Zwanger Pesiri.

A Reportable Event may be the result of an isolated event or a series of occurrences.

2. *Reporting of Reportable Events.* If Mendelsohn-Zwanger Pesiri determines (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) through any means that there is a Reportable Event, Mendelsohn-Zwanger Pesiri shall notify OIG, in writing, within 30 days after making the determination that the Reportable Event exists.

3. *Reportable Events under Section III.J.1.a. and III.J.1.b.* For Reportable Events under Section III.J.1.a and b, the report to OIG shall include:

- a. a complete description of all details relevant to the Reportable Event, including, at a minimum, the types of claims, transactions or other conduct giving rise to the Reportable Event; the period during which the conduct occurred; and the names of individuals and entities believed to be implicated, including an explanation of their roles in the Reportable Event;
- b. a statement of the Federal criminal, civil or administrative laws that are probably violated by the Reportable Event, if any;
- c. the Federal health care programs affected by the Reportable Event;
- d. a description of the steps taken by Mendelsohn-Zwanger Pesiri to identify and quantify any Overpayments; and
- e. a description of Mendelsohn-Zwanger Pesiri's actions taken to correct the Reportable Event and prevent it from recurring.

If the Reportable Event involves an Overpayment, within 60 days of identification of the Overpayment, Mendelsohn-Zwanger Pesiri shall provide OIG with a copy of the notification and repayment (if quantified) to the appropriate payor.

4. *Reportable Events under Section III.J.1.c.* For Reportable Events under Section III.J.1.c, the report to OIG shall include:

- a. the identity of the Ineligible Person and the job duties performed by that individual;
- b. the dates of the Ineligible Person's employment or contractual relationship;
- c. a description of the Exclusion List screening that Mendelsohn-Zwanger Pesiri completed before and/or during the Ineligible Person's employment or contract and any flaw or breakdown in the screening process that led to the hiring or contracting with the Ineligible Person;
- d. a description of how the Ineligible Person was identified; and
- e. a description of any corrective action implemented to prevent future employment or contracting with an Ineligible Person.

5. *Reportable Events under Section III.J.1.d.* For Reportable Events under Section III.J.1.d, the report to OIG shall include documentation of the bankruptcy filing and a description of any Federal health care program requirements implicated.

6. *Reportable Events Involving the Stark Law.* Notwithstanding the reporting requirements outlined above, any Reportable Event that involves solely a probable violation of section 1877 of the Social Security Act, 42 U.S.C. §1395nn (the Stark Law) should be submitted by Mendelsohn-Zwanger Pesiri to the Centers for Medicare & Medicaid Services (CMS) through the self-referral disclosure protocol (SRDP), with a copy to the OIG. If Mendelsohn-Zwanger Pesiri identifies a probable violation of the Stark Law and repays the applicable Overpayment directly to the CMS contractor, then Mendelsohn-Zwanger Pesiri is not required by this Section III.J to submit the Reportable Event to CMS through the SRDP.

#### **IV. SUCCESSOR LIABILITY**

In the event that, after the Effective Date, Mendelsohn-Zwanger Pesiri proposes to (a) sell any or all of its business, business units, or locations (whether through a sale of assets, sale of stock, or other type of transaction) relating to the furnishing of items or services that may be reimbursed by a Federal health care program, or (b) purchase or establish a new business, business unit, or location relating to the furnishing of items or services that may be reimbursed by a Federal health care program, the CIA shall be binding on the purchaser of any business, business unit, or location and any new business, business unit, or location (and all Covered Persons at each new business, business unit, or location) shall be subject to the applicable requirements of this CIA, unless otherwise determined and agreed to in writing by OIG.

If, in advance of a proposed sale or a proposed purchase, Mendelsohn-Zwanger Pesiri wishes to obtain a determination by OIG that the proposed purchaser or the proposed acquisition will not be subject to the requirements of the CIA, Mendelsohn-Zwanger Pesiri must notify OIG in writing of the proposed sale or purchase at least 30 days in advance. This notification shall include a description of the business, business unit, or location to be sold or purchased, a brief description of the terms of the transaction and, in the case of a proposed sale, the name and contact information of the prospective purchaser.

#### **V. IMPLEMENTATION AND ANNUAL REPORTS**

##### **A. Implementation Report**

Within 120 days after the Effective Date, Mendelsohn-Zwanger Pesiri shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA (Implementation Report). The Implementation Report shall, at a minimum, include:

1. the name, address, phone number, and position description of the Compliance Officer required by Section III.A, and a summary of other noncompliance job responsibilities the Compliance Officer may have;
2. the names and positions of the members of the Compliance Committee required by Section III.A;
3. the names and positions of the Certifying Employees required by Section III.A.3;

4. a list of the Policies and Procedures required by Section III.B;
5. the Training Plan required by Section III.C.1 (including a summary of the topics covered, the length of the training, and when the training was provided);
6. the following information regarding the IRO(s): (a) identity, address, and phone number; (b) a copy of the engagement letter; (c) information to demonstrate that the IRO has the qualifications outlined in Appendix A to this CIA; and (d) a certification from the IRO regarding its professional independence and objectivity with respect to Mendelsohn-Zwanger Pesiri;
7. a description of the risk assessment and internal review process required by Section III.E;
8. a description of the Disclosure Program required by Section III.F;
9. a description of the Ineligible Persons screening and removal process required by Section III.G;
10. a copy of Mendelsohn-Zwanger Pesiri's policies and procedures regarding the identification, quantification and repayment of Overpayments required by Section III.I;
11. a list of all of Mendelsohn-Zwanger Pesiri's locations (including locations and mailing addresses), the corresponding name under which each location is doing business, and the location's Medicare and state Medicaid program provider number and/or supplier number(s);
12. a description of Mendelsohn-Zwanger Pesiri's corporate structure, including identification of any parent and sister companies, subsidiaries, and their respective lines of business; and
13. the certifications required by Section V.C.

B. Annual Reports

Mendelsohn-Zwanger Pesiri shall submit to OIG a report on its compliance with the CIA requirements for each of the five Reporting Periods (Annual Report). Each Annual Report shall include, at a minimum, the following information:

1. any change in the identity, position description, or other noncompliance job responsibilities of the Compliance Officer; a current list of the Compliance Committee members, and a current list of the Certifying Employees;
2. the dates of each report made by the Compliance Officer to the Chief Executive Officer (written documentation of such reports shall be made available to OIG upon request);
3. a list of any new or revised Policies and Procedures developed during the Reporting Period;
4. a description of any changes to Mendelsohn-Zwanger Pesiri's Training Plan developed pursuant to Section III.C during the Reporting Period;
5. a complete copy of all reports prepared pursuant to Section III.D and Mendelsohn-Zwanger Pesiri's response to the reports, along with corrective action plan(s) related to any issues raised by the reports;
6. a certification from the IRO regarding its professional independence and objectivity with respect to Mendelsohn-Zwanger Pesiri;
7. a description of any changes to the risk assessment and internal review process required by Section III.E, including the reasons for such changes;
8. a summary of the following components of the risk assessment and internal review process during the Reporting Period: work plans developed, internal audits performed, corrective action plans developed in response to internal audits, and steps taken to track the implementation of the corrective action plans. Copies of any work plans, internal audit reports, and corrective action plans shall be made available to OIG upon request;
9. a summary of the disclosures in the disclosure log required by Section III.F that relate to Federal health care programs, including at least the following information: a description of the disclosure, the date the disclosure was received, the resolution of the disclosure, and the date the disclosure was resolved (if applicable). The complete disclosure log shall be made available to OIG upon request;
10. a description of any changes to the Ineligible Persons screening and removal process required by Section III.G, including the reasons for such changes;

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

12. a description of any changes to the Overpayment policies and procedures required by Section III.I, including the reasons for such changes;

13. a summary of Reportable Events (as defined in Section III.J) identified during the Reporting Period;

14. a summary of any audits conducted during the applicable Reporting Period by any Medicare or state Medicaid program contractor or any government entity or contractor, involving a review of Federal health care program claims, and Mendelsohn-Zwanger Pesiri's response/corrective action plan (including information regarding any Federal health care program refunds) relating to the audit findings;

15. a description of all changes to the most recently provided list of Mendelsohn-Zwanger Pesiri's locations as required by Section V.A.11; and

16. the certifications required by Section V.C.

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

### C. Certifications

1. *Certifying Employees.* In each Annual Report, Mendelsohn-Zwanger Pesiri shall include the certifications of Certifying Employees required by Section III.A.3;

2. *Compliance Officer and Chief Executive Officer.* The Implementation Report and each Annual Report shall include a certification by the Compliance Officer and Chief Executive Officer that:

- a. to the best of his or her knowledge, except as otherwise described in the report, Mendelsohn-Zwanger Pesiri has implemented and is in compliance with all of the requirements of this CIA; and

- b. he or she has reviewed the report and has made reasonable inquiry regarding its content and believes that the information in the report is accurate and truthful.

3. *Chief Financial Officer.* The first Annual Report shall include a certification by the Chief Financial Officer that, to the best of his or her knowledge, Mendelsohn-Zwanger Pesiri has complied with its obligations under the Settlement Agreement: (a) 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; (b) not to charge to or otherwise seek payment from federal or state payors for unallowable costs (as defined in the Settlement Agreement); and (c) to identify and adjust any past charges or claims for unallowable costs.

D. Designation of Information

Mendelsohn-Zwanger Pesiri shall clearly identify any portions of its submissions that it believes are trade secrets, or information that is commercial or financial and privileged or confidential, and therefore potentially exempt from disclosure under the Freedom of Information Act (FOIA), 5 U.S.C. § 552. Mendelsohn-Zwanger Pesiri 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, all notifications and reports required under this CIA shall be submitted to the following entities:

OIG:

Administrative and Civil Remedies Branch  
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, S.W.  
Washington, DC 20201  
Telephone: 202.619.2078  
Facsimile: 202.205.0604

Mendelsohn-Zwanger Pesiri:

Steven Medina, Esq.  
Chief Compliance Officer  
150 East Sunrise Highway  
Lindenhurst, NY 11757  
Telephone: 516.319.7260

Unless otherwise specified, all notifications and reports required by this CIA shall be made by electronic mail, overnight mail, hand delivery, or other means, provided that there is proof that such notification was received. Upon request by OIG, Mendelsohn-Zwanger Pesiri may be required to provide OIG with an electronic copy of each notification or report required by this CIA in addition to a paper copy.

## **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 conduct interviews, examine and/or request copies of or copy Mendelsohn-Zwanger Pesiri's books, records, and other documents and supporting materials, and conduct on-site reviews of any of Mendelsohn-Zwanger Pesiri's locations, for the purpose of verifying and evaluating: (a) Mendelsohn-Zwanger Pesiri's compliance with the terms of this CIA and (b) Mendelsohn-Zwanger Pesiri's compliance with the requirements of the Federal health care programs. The documentation described above shall be made available by Mendelsohn-Zwanger Pesiri to OIG or its duly authorized representative(s) at all reasonable times for inspection, audit, and/or reproduction. Furthermore, for purposes of this provision, OIG or its duly authorized representative(s) may interview any of Mendelsohn-Zwanger Pesiri's owners, employees, contractors, and directors 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. Mendelsohn-Zwanger Pesiri shall assist OIG or its duly authorized representative(s) in contacting and arranging interviews with such individuals upon OIG's request. Mendelsohn-Zwanger Pesiri's owners, employees, contractors, and directors may elect to be interviewed with or without a representative of Mendelsohn-Zwanger Pesiri present.

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

Mendelsohn-Zwanger Pesiri shall maintain for inspection all documents and records relating to reimbursement from the Federal health care programs and to

compliance with this CIA for six years (or longer if otherwise required by law) from the Effective Date.

## **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 Mendelsohn-Zwanger Pesiri prior to any release by OIG of information submitted by Mendelsohn-Zwanger Pesiri pursuant to its obligations under this CIA and identified upon submission by Mendelsohn-Zwanger Pesiri as trade secrets, or information that is commercial or financial and privileged or confidential, under the FOIA rules. With respect to such releases, Mendelsohn-Zwanger Pesiri shall have the rights set forth at 45 C.F.R. § 5.65(d).

## **X. BREACH AND DEFAULT PROVISIONS**

Mendelsohn-Zwanger Pesiri 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, Mendelsohn-Zwanger Pesiri and OIG hereby agree that failure to comply with certain obligations as 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 Mendelsohn-Zwanger Pesiri fails to establish, implement or comply with any of the following obligations as described in Section III:

- a. a Compliance Officer;
- b. a Compliance Committee;
- c. the management certification obligations;
- d. written Policies and Procedures;
- e. training and education of Covered Persons;
- f. a risk assessment and internal review process;

- g. a Disclosure Program;
- h. Ineligible Persons screening and removal requirements;
- i. notification of Government investigations or legal proceedings;
- j. policies and procedures regarding the repayment of Overpayments; and
- k. reporting of Reportable Events.

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 Mendelsohn-Zwanger Pesiri fails to engage and use an IRO, as required by Section III.D, Appendix A, or Appendix B.

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 Mendelsohn-Zwanger Pesiri fails to submit a complete Implementation Report, Annual Report or any certification to OIG in accordance with the requirements of Section V by the deadlines for submission.

4. A Stipulated Penalty of \$2,500 (which shall begin to accrue on the day after the date the obligation became due) for each day Mendelsohn-Zwanger Pesiri fails to submit any Claims Review Report in accordance with the requirements of Section III.D and Appendix B or fails to repay any Overpayment identified by the IRO, as required by Appendix B.

5. A Stipulated Penalty of \$1,500 for each day Mendelsohn-Zwanger Pesiri fails to grant access as required in Section VII. (This Stipulated Penalty shall begin to accrue on the date Mendelsohn-Zwanger Pesiri fails to grant access.)

6. A Stipulated Penalty of \$50,000 for each false certification submitted by or on behalf of Mendelsohn-Zwanger Pesiri as part of its Implementation Report, any Annual Report, additional documentation to a report (as requested by the OIG), or otherwise required by this CIA.

7. A Stipulated Penalty of \$1,000 for each day Mendelsohn-Zwanger Pesiri fails to comply fully and adequately with any obligation of this CIA. OIG shall provide notice to Mendelsohn-Zwanger Pesiri stating the specific grounds for its

determination that Mendelsohn-Zwanger Pesiri has failed to comply fully and adequately with the CIA obligation(s) at issue and steps Mendelsohn-Zwanger Pesiri shall take to comply with the CIA. (This Stipulated Penalty shall begin to accrue 10 days after the date Mendelsohn-Zwanger Pesiri receives this notice from OIG of the failure to comply.) A Stipulated Penalty as described in this Subsection shall not be demanded for any violation for which OIG has sought a Stipulated Penalty under Subsections 1- 6 of this Section.

B. Timely Written Requests for Extensions

Mendelsohn-Zwanger Pesiri 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 Mendelsohn-Zwanger Pesiri 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 three days after Mendelsohn-Zwanger Pesiri 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 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 Mendelsohn-Zwanger Pesiri 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 Mendelsohn-Zwanger Pesiri of: (a) Mendelsohn-Zwanger Pesiri's failure to comply; and (b) OIG's exercise of its contractual right to demand payment of the Stipulated Penalties. (This notification shall be referred to as the "Demand Letter.")

2. *Response to Demand Letter.* Within 10 days after the receipt of the Demand Letter, Mendelsohn-Zwanger Pesiri 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 Mendelsohn-Zwanger Pesiri elects to request an ALJ hearing, the Stipulated Penalties shall continue to accrue until Mendelsohn-Zwanger Pesiri 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 electronic funds transfer to an account specified by OIG in the Demand Letter.

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 Mendelsohn-Zwanger Pesiri 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. repeated violations or a flagrant violation of any of the obligations under this CIA, including, but not limited to, the obligations addressed in Section X.A;
- b. a failure by Mendelsohn-Zwanger Pesiri to report a Reportable Event, take corrective action, or make the appropriate refunds, as required in Section III.J;
- 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 engage and use an IRO in accordance with Section III.D, Appendix A, or Appendix B.

2. *Notice of Material Breach and Intent to Exclude.* The parties agree that a material breach of this CIA by Mendelsohn-Zwanger Pesiri constitutes an independent basis for Mendelsohn-Zwanger Pesiri's exclusion from participation in the Federal health care programs. The length of the exclusion shall be in the OIG's discretion, but not more than five years per material breach. Upon a determination by OIG that Mendelsohn-Zwanger Pesiri has materially breached this CIA and that exclusion is the appropriate remedy, OIG shall notify Mendelsohn-Zwanger Pesiri of: (a)

Mendelsohn-Zwanger Pesiri’s material breach; and (b) OIG’s intent to exercise its contractual right to impose exclusion. (This notification shall be referred to as the “Notice of Material Breach and Intent to Exclude.”)

3. *Opportunity to Cure.* Mendelsohn-Zwanger Pesiri shall have 30 days from the date of receipt of the Notice of Material Breach and Intent to Exclude to demonstrate that:

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

4. *Exclusion Letter.* If, at the conclusion of the 30 day period, Mendelsohn-Zwanger Pesiri fails to satisfy the requirements of Section X.D.3, OIG may exclude Mendelsohn-Zwanger Pesiri from participation in the Federal health care programs. OIG shall notify Mendelsohn-Zwanger Pesiri in writing of its determination to exclude Mendelsohn-Zwanger Pesiri. (This letter shall be referred to 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 Mendelsohn-Zwanger Pesiri’s receipt of the Exclusion Letter. The exclusion shall have national effect. Reinstatement to program participation is not automatic. At the end of the period of exclusion, Mendelsohn-Zwanger Pesiri may apply for reinstatement by submitting 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 Mendelsohn-Zwanger Pesiri 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, Mendelsohn-Zwanger Pesiri 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 HHS ALJ and, in the event of an appeal, the HHS Departmental Appeals Board (DAB), in a manner consistent with the provisions in 42 C.F.R. § 1005.2-1005.21.

Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving Stipulated Penalties shall be made within 10 days after receipt of the Demand Letter and the request for a hearing involving exclusion shall be made within 25 days after receipt of the Exclusion Letter. The procedures relating to the filing of a request for a hearing can be found at <http://www.hhs.gov/dab/divisions/civil/procedures/divisionprocedures.html>

2. *Stipulated Penalties Review.* Notwithstanding any provision of Title 42 of the United States Code or Title 42 of the Code of Federal Regulations, the only issues in a proceeding for Stipulated Penalties under this CIA shall be: (a) whether Mendelsohn-Zwanger Pesiri was in full and timely compliance with the obligations of this CIA for which OIG demands payment; and (b) the period of noncompliance. Mendelsohn-Zwanger Pesiri shall have the burden of proving its full and timely compliance and the steps taken to cure the noncompliance, if any. OIG shall not have the right to appeal to the DAB an adverse ALJ decision related to Stipulated Penalties. If the ALJ agrees with OIG with regard to a finding of a breach of this CIA and orders Mendelsohn-Zwanger Pesiri to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable 20 days after the ALJ issues such a decision unless Mendelsohn-Zwanger Pesiri 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 Title 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 whether Mendelsohn-Zwanger Pesiri was in material breach of this CIA and, if so, whether:

- a. Mendelsohn-Zwanger Pesiri cured such breach within 30 days of its receipt of the Notice of Material Breach; or
- b. the alleged material breach could not have been cured within the 30 day period, but that, during the 30 day period following Mendelsohn-Zwanger Pesiri's receipt of the Notice of Material Breach: (i) Mendelsohn-Zwanger Pesiri had begun to take action to cure the material breach; (ii) Mendelsohn-Zwanger Pesiri pursued such action with due diligence; and (iii) Mendelsohn-Zwanger Pesiri provided to OIG a reasonable timetable for curing the material breach.

For purposes of the exclusion herein, exclusion shall take effect only after an ALJ decision favorable to OIG, or, if the ALJ rules for Mendelsohn-Zwanger Pesiri, only after a DAB decision in favor of OIG. Mendelsohn-Zwanger Pesiri's election of its contractual right to appeal to the DAB shall not abrogate OIG's authority to exclude Mendelsohn-Zwanger Pesiri 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 Mendelsohn-Zwanger Pesiri 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. Mendelsohn-Zwanger Pesiri shall waive its right to any notice of such an exclusion if a decision upholding the exclusion is rendered by the ALJ or DAB. If the DAB finds in favor of Mendelsohn-Zwanger Pesiri, Mendelsohn-Zwanger Pesiri shall be reinstated effective on the date of the original exclusion.

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**

Mendelsohn-Zwanger Pesiri and OIG agree as follows:

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

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

C. OIG may agree to a suspension of Mendelsohn-Zwanger Pesiri's obligations under this CIA based on a certification by Mendelsohn-Zwanger Pesiri that it is no longer providing health care items or services that will be billed to any Federal health care program and it does not have any ownership or control interest, as defined in 42 U.S.C. §1320a-3, in any entity that bills any Federal health care program. If Mendelsohn-Zwanger Pesiri is relieved of its CIA obligations, Mendelsohn-Zwanger Pesiri shall be required to notify OIG in writing at least 30 days in advance if Mendelsohn-Zwanger Pesiri plans to resume providing health care items or services that are billed to any Federal health care program or to obtain an ownership or control interest

in any entity that bills any Federal health care program. At such time, OIG shall evaluate whether the CIA will be reactivated or modified.

D. All requirements and remedies set forth in this CIA are in addition to and do not affect (1) Mendelsohn-Zwanger Pesiri's responsibility to follow all applicable Federal health care program requirements or (2) the government's right to impose appropriate remedies for failure to follow applicable Federal health care program requirements.

E. The undersigned Mendelsohn-Zwanger Pesiri signatories represent and warrant that they are authorized to execute this CIA. The undersigned OIG signatories represent that they are signing this CIA in their official capacities and that they are authorized to execute this CIA.

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

**ON BEHALF OF MENDELSON-ZWANGER PESIRI**

/Steven Mendelsohn, M.D./  
Steven Mendelsohn, M.D.

10/21/16  
DATE

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/Geoffrey Kaiser/  
Geoffrey R. Kaiser  
Rivkin Radler LLP  
Counsel for Mendelsohn-Zwanger Pesiri

10/31/16  
DATE

/Alexander G. Bateman/  
Alexander G. Bateman, Jr.  
Ruskin Moscou Faltischek, P.C.  
Counsel for Mendelsohn-Zwanger Pesiri

10/31/16  
DATE

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

/Lisa M. Re/  
LISA M. RE  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health and Human Services

10/26/16  
DATE

/Keshia B. Thompson/  
KESHIA B. THOMPSON  
Senior Counsel  
Office of Counsel to the Inspector General  
Office of Inspector General  
U.S. Department of Health and Human Services

11/1/16  
DATE

## APPENDIX A

### INDEPENDENT REVIEW ORGANIZATION

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

#### A. IRO Engagement

1. Mendelsohn-Zwanger Pesiri shall engage an IRO that possesses the qualifications set forth in Paragraph B, below, to perform the responsibilities in Paragraph C, below. The IRO shall conduct the review in a professionally independent and objective fashion, as set forth in Paragraph D. Within 30 days after OIG receives the information identified in Section V.A.6 of the CIA or any additional information submitted by Mendelsohn-Zwanger Pesiri in response to a request by OIG, whichever is later, OIG will notify Mendelsohn-Zwanger Pesiri if the IRO is unacceptable. Absent notification from OIG that the IRO is unacceptable, Mendelsohn-Zwanger Pesiri may continue to engage the IRO.

2. If Mendelsohn-Zwanger Pesiri engages a new IRO during the term of the CIA, that IRO must also meet the requirements of this Appendix. If a new IRO is engaged, Mendelsohn-Zwanger Pesiri shall submit the information identified in Section V.A.6 of the CIA to OIG within 30 days of engagement of the IRO. Within 30 days after OIG receives this information or any additional information submitted by Mendelsohn-Zwanger Pesiri at the request of OIG, whichever is later, OIG will notify Mendelsohn-Zwanger Pesiri if the IRO is unacceptable. Absent notification from OIG that the IRO is unacceptable, Mendelsohn-Zwanger Pesiri may continue to engage the IRO.

#### B. IRO Qualifications

The IRO shall:

1. assign individuals to conduct the Claims Review who have expertise in the Medicare and state Medicaid program requirements applicable to the claims being reviewed;

2. assign individuals to design and select the Claims Review sample who are knowledgeable about the appropriate statistical sampling techniques;

3. assign individuals to conduct the coding review portions of the Claims Review who have a nationally recognized coding certification and who have maintained this certification (e.g., completed applicable continuing education requirements); and

4. have sufficient staff and resources to conduct the reviews required by the CIA on a timely basis.

C. IRO Responsibilities

The IRO shall:

1. perform each Claims Review in accordance with the specific requirements of the CIA;

2. follow all applicable Medicare and state Medicaid program rules and reimbursement guidelines in making assessments in the Claims Review;

3. request clarification from the appropriate authority (e.g., Medicare contractor), if in doubt of the application of a particular Medicare or state Medicaid program policy or regulation;

4. respond to all OIG inquires in a prompt, objective, and factual manner; and

5. prepare timely, clear, well-written reports that include all the information required by Appendix B to the CIA.

D. IRO Independence and Objectivity

The IRO must perform the Claims Review in a professionally independent and objective fashion, as defined in the most recent Government Auditing Standards issued by the U.S. Government Accountability Office.

E. IRO Removal/Termination

1. *Mendelsohn-Zwanger Pesiri and IRO.* If Mendelsohn-Zwanger Pesiri terminates its IRO or if the IRO withdraws from the engagement during the term of the CIA, Mendelsohn-Zwanger Pesiri must submit a notice explaining (a) its reasons for termination of the IRO or (b) the IRO's reasons for its withdrawal to OIG, no later than 30 days after termination or withdrawal. Mendelsohn-Zwanger Pesiri must engage a new IRO in accordance with Paragraph A of this Appendix and within 60 days of termination or withdrawal of the IRO.

2. *OIG Removal of IRO.* In the event OIG has reason to believe the IRO does not possess the qualifications described in Paragraph B, is not independent and objective as set forth in Paragraph D, or has failed to carry out its responsibilities as described in

Paragraph C, OIG shall notify Mendelsohn-Zwanger Pesiri in writing regarding OIG's basis for determining that the IRO has not met the requirements of this Appendix. Mendelsohn-Zwanger Pesiri shall have 30 days from the date of OIG's written notice to provide information regarding the IRO's qualifications, independence or performance of its responsibilities in order to resolve the concerns identified by OIG. If, following OIG's review of any information provided by Mendelsohn-Zwanger Pesiri regarding the IRO, OIG determines that the IRO has not met the requirements of this Appendix, OIG shall notify Mendelsohn-Zwanger Pesiri in writing that Mendelsohn-Zwanger Pesiri shall be required to engage a new IRO in accordance with Paragraph A of this Appendix. Mendelsohn-Zwanger Pesiri must engage a new IRO within 60 days of its receipt of OIG's written notice. The final determination as to whether or not to require Mendelsohn-Zwanger Pesiri to engage a new IRO shall be made at the sole discretion of OIG.

## APPENDIX B

### CLAIMS REVIEW

A. Claims Review. The IRO shall perform the Claims Review annually to cover each of the five Reporting Periods. The IRO shall perform all components of each Claims Review. The Claims Review shall be conducted at 3 Review Locations for each Reporting Period. Each Claims Review shall consist of the following:

1. *Selection of Mendelsohn-Zwanger Pesiri Review Locations To Be Reviewed*. At least 60 days prior to the end of each Reporting Period, Mendelsohn-Zwanger Pesiri shall provide OIG with the following information for each Review Location for the prior year: (1) the total dollar amount of the Review Location's revenue; and (2) the total dollar amount of the Review Location's Paid Claims. Within 30 days after OIG receives this information, OIG will notify Mendelsohn-Zwanger Pesiri of the 3 Review Locations to be reviewed.

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

- a. Overpayment: The amount of money Mendelsohn-Zwanger Pesiri has received in excess of the amount due and payable under Medicare or any state Medicaid program requirements, as determined by the IRO in connection with the claims reviews performed under this Appendix B, determined in accordance with Section A.3 of this Appendix B.
- b. Paid Claim: A claim submitted by Mendelsohn-Zwanger Pesiri and for which Mendelsohn-Zwanger Pesiri has received reimbursement from the Medicare program or a state Medicaid program.
- c. Population: The Population shall be defined as all Paid Claims at the Review Location during the 12-month period covered by the Claims Review.

3. *Claims Review Sample*. The IRO shall randomly select and review a sample of 100 Paid Claims (Claims Review Sample) from the Population at each Review Location selected for review. The Paid Claims shall be reviewed based on the supporting documentation available at Mendelsohn-Zwanger Pesiri's office or under Mendelsohn-Zwanger Pesiri's control and applicable Medicare and state Medicaid program requirements to determine whether the items and services furnished were medically necessary and appropriately documented, and whether the claim was correctly coded, submitted, and reimbursed. For each claim in the Claims Review Sample that resulted in

an Overpayment, the IRO shall review the system(s) and process(es) that generated the claim and identify any problems or weaknesses that may have resulted in the identified Overpayments. The IRO shall provide its observations and recommendations on suggested improvements to the system(s) and the process(es) that generated the claim. OIG, in its sole discretion, may refer the findings of the Claims Review Sample (and any related work papers) received from Mendelsohn-Zwanger Pesiri to the appropriate Federal health care program payor (e.g., Medicare contractor) for appropriate follow-up by that payor.

4. *Other Requirements.*

- a. Supplemental Materials. The IRO shall request all documentation and materials required for its review of the Paid Claims selected as part of each Claims Review Sample and Mendelsohn-Zwanger Pesiri shall furnish such documentation and materials to the IRO prior to the IRO initiating its review of the Claims Review Sample. If the IRO accepts any supplemental documentation or materials from Mendelsohn-Zwanger Pesiri after the IRO has completed its initial review of the Claims Review Sample (Supplemental Materials), the IRO shall identify in the Claims Review Report the Supplemental Materials, the date the Supplemental Materials were accepted, and the relative weight the IRO gave to the Supplemental Materials in its review. In addition, the IRO shall include a narrative in the Claims Review Report describing the process by which the Supplemental Materials were accepted and the IRO's reasons for accepting the Supplemental Materials.
- b. Paid Claims without Supporting Documentation. Any Paid Claim for which Mendelsohn-Zwanger Pesiri cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by Mendelsohn-Zwanger Pesiri for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.
- c. Use of First Samples Drawn. For the purposes of the Claims Review Sample discussed in this Appendix, the first set of Paid Claims selected shall be used (i.e., it is not permissible to generate more than one list of random samples and then select one for use with the Claims Review Sample).

5. *Repayment of Identified Overpayments.* Mendelsohn-Zwanger Pesiri shall repay within 60 days the Overpayment(s) identified in the Claims Review Sample, as

determined by the IRO in accordance with Section A.3 above, in accordance with the requirements of 42 U.S.C. § 1320a-7k(d) and 42 C.F.R. § 401.301-305 (and any applicable CMS guidance) (the “CMS overpayment rule”). If Mendelsohn-Zwanger Pesiri determines that the CMS overpayment rule requires that an extrapolated Overpayment be repaid, Mendelsohn-Zwanger Pesiri shall repay that amount at the mean point estimate as calculated by the IRO. Mendelsohn-Zwanger Pesiri shall make available to OIG all documentation that reflects the refund of the Overpayment(s) to the payor. OIG, in its sole discretion, may refer the findings of the Claims Review Sample (and any related work papers) received from Mendelsohn-Zwanger Pesiri to the appropriate Medicare or state Medicaid program contractor for appropriate follow up by the payor.

B. Claims Review Report. The IRO shall prepare a Claims Review Report as described in this Appendix for each Claims Review performed. The following information shall be included in the Claims Review Report for each Claims Review Sample.

1. *Claims Review Methodology*.
  - a. Claims Review Population. A description of the Population subject to the Claims Review.
  - b. Claims Review Objective. A clear statement of the objective intended to be achieved by the Claims Review.
  - c. Source of Data. A description of (1) the process used to identify claims in the Population, and (2) the specific documentation relied upon by the IRO when performing the Claims Review (*e.g.*, medical records, physician orders, certificates of medical necessity, requisition forms, local medical review policies (including title and policy number), CMS program memoranda (including title and issuance number), Medicare carrier or intermediary manual or bulletins (including issue and date), other policies, regulations, or directives).
  - d. Review Protocol. A narrative description of how the Claims Review was conducted and what was evaluated.
  - e. Supplemental Materials. A description of any Supplemental Materials as required by A.4.a., above.
2. *Statistical Sampling Documentation*.

- a. A copy of the printout of the random numbers generated by the “Random Numbers” function of the statistical sampling software used by the IRO.
  - b. A description or identification of the statistical sampling software package used by the IRO.
3. *Claims Review Findings.*
- a. Narrative Results.
    - i. A description of Mendelsohn-Zwanger Pesiri’s billing and coding system(s), including the identification, by position description, of the personnel involved in coding and billing.
    - ii. A description of controls in place at Mendelsohn-Zwanger Pesiri to ensure that all items and services billed to Medicare or a state Medicaid program are medically necessary and appropriately documented.
    - iii. A narrative explanation of the IRO’s findings and supporting rationale (including reasons for errors, patterns noted, etc.) regarding the Claims Review, including the results of the Claims Review Sample.
  - b. Quantitative Results.
    - i. Total number and percentage of instances in which the IRO determined that the coding of the Paid Claims submitted by Mendelsohn-Zwanger Pesiri differed from what should have been the correct coding and in which such difference resulted in an Overpayment to Mendelsohn-Zwanger Pesiri.
    - ii. Total number and percentage of instances in which the IRO determined that a Paid Claim was not appropriately documented and in which such documentation errors resulted in an Overpayment to Mendelsohn-Zwanger Pesiri.
    - iii. Total number and percentage of instances in which the IRO determined that a Paid Claim was for items or services that were not medically necessary and resulted in an Overpayment to Mendelsohn-Zwanger Pesiri.

- iv. Total dollar amount of all Overpayments in the Claims Review Sample.
  - v. Total dollar amount of Paid Claims included in the Claims Review Sample.
  - vi. Error Rate in the Claims Review Sample. The Error Rate shall be calculated by dividing the Overpayment in the Claims Review Sample by the total dollar amount associated with the Paid Claims in the Claims Review Sample.
  - vii. An estimate of the actual Overpayment in the Population at the mean point estimate.
  - viii. A spreadsheet of the Claims Review results that includes the following information for each Paid Claim: Federal health care program billed, beneficiary health insurance claim number, date of service, code submitted (e.g., DRG, CPT code, etc.), code reimbursed, allowed amount reimbursed by payor, correct code (as determined by the IRO), correct allowed amount (as determined by the IRO), dollar difference between allowed amount reimbursed by payor and the correct allowed amount.
- c. Recommendations. The IRO's report shall include any recommendations for improvements to Mendelsohn-Zwanger Pesiri's billing and coding system or to Mendelsohn-Zwanger Pesiri's controls for ensuring that all items and services billed to Medicare or a state Medicaid program are medically necessary and appropriately documented, based on the findings of the Claims Review.

4. *Credentials*. The names and credentials of the individuals who: (1) designed the statistical sampling procedures and the review methodology utilized for the Claims Review and (2) performed the Claims Review.