CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL
AND
RALEX SERVICES, INC. DOING BUSINESS AS
GLEN ISLAND CENTER FOR NURSING AND REHABILITATION

I. PREAMBLE

Ralex Services Inc., doing business as Glen Island Center for Nursing and Rehabilitation ("Provider") which is a New York State's Medical Assistance Program provider under the following Federal Employer Identification Number: [redacted] hereby enters into this Corporate Integrity Agreement (CIA) with the New York State Office of the Medicaid Inspector General (OMIG) to promote compliance with the statutes, regulations, program requirements, and written directives of New York State's Medical Assistance Program (Medicaid), and all other applicable New York State and Federal laws and regulations pertaining to Medicaid. This CIA applies to Provider, any entity in which Provider has an ownership or control interest at any time during the term of the CIA, and any other Covered Persons as defined in Section III.D.

II. TERM AND SCOPE OF THE CIA

A. Except as may be provided elsewhere in this CIA, the term of this CIA shall be five Years from the Effective Date. The "Effective Date" shall be the date on which the final signatory of this CIA executes this CIA, unless otherwise specified.

B. Section VII – OMIG Inspection, Audit and Review Rights; Section IX – Breach and Default Provisions; Section XII – Effective and Binding Agreement shall expire no later than 120 days from OMIG's receipt of: (1) Provider's final Annual Report; or (2) any additional materials submitted by Provider pursuant to OMIG's request, whichever is later.

III. DEFINITIONS

The CIA shall be governed by the following definitions:

A. "Breach" means: any failure by the Provider to meet any requirement of this CIA, including, but not be limited to, any intentional or unintentional failure to perform any duty established in Section IV – Corporate Integrity Obligations; or any final determination by OMIG that the Provider has violated 18 New York Codes Rules and Regulations ("18 NYCRR") Part 515.

B. "Compliance Program" means: a program adopted and implemented by the Provider that meets the requirements of New York State Social Services Law §363-d and 18 NYCRR Part 521 and, if applicable, the requirements of 42 United States Code ("42 USC") § 1396a(a)(68) and the requirements of Section IV of this CIA.

C. "Covered Conduct" means:

1. the conduct that the Provider engaged in that resulted in OMIG seeking a CIA with the Provider;

2. Ralex submitted Patient Review Instrument ("PRI") data to the New York State Department of Health (DOH), which falsely represented the degree of care required by many of the residents of Ralex during the assessment periods covered by said submissions from at least April 30, 2002 to November 1, 2006. Ralex was aware that the falsely inflated PRI data was utilized by DOH as one component in calculating Ralex's Medicaid reimbursement rate during the Claims Period. Leah Friedman is the sole shareholder and operator of Ralex.

D. "Covered Persons" means:

1. all affected persons[1] as required by New York Social Services Law ("Social Services Law") §363-d and 18 NYCRR Part 521, and

2. all employees and contractors as required by § 1902 of the Social Security Act, and 42 USC § 1396a(68).

E. "Material Breach" means the following:

1. any repeated, flagrant or intentional violation of any obligations under this CIA, including, but not limited to Section IV – Corporate Integrity Obligations, or Section IX – Breach and Default Provisions;

2. any repeated failure of the Provider to cure any Breach as set forth in Section IX – Breach and Default Provisions of this CIA;

[1] Affected persons includes, but may not be limited to employees, executives, members of the governing body, and persons associated with the provider as set forth in SSL § 363-d subd. 2 and 18 NYCRR 521.3(c).

3. any failure to respond to a Demand Letter concerning the payment of Stipulated Penalties in accordance with Section IX – Breach and Default Provisions;

4. any statement, made with knowledge and intent that it is false, by the Provider or any Covered Persons to OMIG, to any state or federal government agency or to the Independent Review Organization ("IRO");

5. a failure to engage an IRO in accordance with the terms of this CIA;

6. repeated failures to cooperate with the IRO, or to respond completely and timely to an IRO request; or

7. Provider's repeated failure to take complete and appropriate action in connection with any OMIG request made of the Provider pursuant to any matter in which OMIG could take regulatory action.

F. "Overpayment" means: the amount of money the Provider has received in excess of the amount due and payable under the NYS Medicaid program.

G. "Reportable Event" means any of the following actions:

1. any Overpayment;

2. any violation of any regulatory agency requirement;

3. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to the medical assistance program for which penalties or exclusion may be authorized, which may include, but not be limited to an "unacceptable practice" under 18 NYCRR §515.2;

4. the preparation of or actual filing of a bankruptcy petition by Provider or the filing of a bankruptcy petition against the Provider;

5. any application that may result in the change in Provider's Medicaid enrollment status or operating certificate;

6. filing of a certificate of need application or any other proposed action by the Provider which will impact on the scope or location of services that the Provider will or may perform;

7. Provider's change of location, closure of a business unit or location; proposal to purchase or establish a new business unit or location; or proposal to sell, assign or transfer by sale or otherwise, any or all of its business units, locations or operations that are subject to this CIA;

8. Provider's employment of or contracting with a Covered Person who is subject to an active federal or state sanction (a "sanction" may include, but should be not be limited to sanctions under 42 USC §1320a-7 or 18 NYCRR Part 515;

9. execution of or amendments to any management services agreement or service bureau contracts or arrangements;

10. any ongoing government investigation or legal proceeding known to Provider; or

11. such other matters that may be referred to in the CIA as a Reportable Event.

H. "Self-Disclosure" means: the Provider's written disclosure to OMIG of any transaction with the Medicaid program that results in any Overpayment.

I. "Timely Written Request" means: a request in writing transmitted electronically to OMIG at least five (5) business days prior to the due date to perform any act or file any notification or report required by this CIA.

J. "Year" means: unless the context clearly indicates a calendar year, "Year" shall mean a twelve month period that starts on the Effective Date or its anniversary and ends 12 months thereafter.

IV. CORPORATE INTEGRITY OBLIGATIONS

In addition to any obligation set forth in the Appendices that are made a part of this CIA, Provider shall perform the following:

A. Compliance Program

Within 30 days of the Effective Date of this CIA, except for specific implementation deadlines set forth herein, and continuously during the term of this CIA, Provider shall establish, implement, and maintain a Compliance Program that meets the requirements of:

- Social Services Law §363-d and 18 NYCRR Part 521; and
- Section 6032 of the Deficit Reduction Act of 2005, § 1902 of the Social Security Act, and 42 USC § 1396a(a)(68).

In addition to the above cited statutory and regulatory Compliance Program requirements, the following shall apply to the Compliance Program:

1. Written Policies and Procedures and Standards.
   a. Within 30 days after the Effective Date, each Covered Person shall certify in writing, that he or she has received, read, understood, and shall abide by all written policies and procedures that describe compliance expectations as part of Provider's Compliance Program.
   b. New Covered Persons shall receive all written policies and procedures that describe compliance expectations within 10 days after becoming a Covered Person and certify in writing, that he or she has received, read, understood, and shall abide by all written policies and procedures that describe compliance expectations as part of Provider's Compliance Program.
   c. The governing board shall, no less frequently than annually, review all written policies and procedures that describe compliance expectations and make any revisions necessary to clarify expectations, reflect current practice, and implement statutory and regulatory requirements.
   d. Any revised policies and procedures that describe compliance expectations shall be distributed to Covered Persons within 10 days of the revisions being adopted by the governing board. Within 10 days after its distribution, each Covered Person shall certify, in writing, that he or she has received, read, understood, and shall abide by the revised written policies and procedures that describe compliance expectations.
   e. Policies and Procedures must be provided to Covered Persons in their primary language if it is other than English.

2. Compliance Officer.

a. OMIG shall have the right to approve or disapprove Provider's appointment of its Compliance Officer and any subsequent appointment to the Compliance Officer position. OMIG's approval or disapproval shall be based on the appointee's or incumbent's independence and objectivity, and qualifications to perform the functions and duties described in Section IV of this CIA and 18 NYCRR 521.3, as applicable.
b. Provider shall report to OMIG and to the IRO, in writing, any change or anticipated change in the identity or position description of the Compliance Officer, or any action or change or anticipated change that would affect the Compliance Officer's ability to perform the duties necessary to meet the obligations in this CIA, within 5 business days of such a change or identified anticipated change, whichever is sooner.
c. Provider shall report to OMIG and to the IRO, in writing, any vacancy or anticipated vacancy in the Compliance Officer position within five business days of the vacancy or anticipated vacancy, whichever is sooner. The report shall include a statement of the reason for the vacancy, the expected duration of the vacancy and the plan that the Provider will implement to fill the vacancy. The Provider shall also provide updates to OMIG and the IRO in writing on the status of the Provider's effort to fill the vacancy every thirty calendar days until the vacancy in the Compliance Officer position is filled.
d. The Provider shall provide OMIG with the Compliance Officer's name, contact information, non-compliance related duties for the Provider, compliance related work history and the Compliance Officer's resume. The Provider shall provide the information referenced in this paragraph to OMIG and the IRO at the time of the initial appointment of the Compliance Officer and at any time that the Compliance Officer's compliance or non-compliance related duties change.
e. The Compliance Officer shall meet periodically, but no less frequently than quarterly, with the Board to report on the activities of the Compliance Program and the performance of the Provider's and Compliance Officer's obligations under the terms of the CIA.

3. Board of Directors.
a. Within 30 days of the Effective Date of this CIA, and annually thereafter, the Board shall receive a minimum of one hour of training on:

1) its fiduciary duties and characteristics of an effective governing Board. The training shall include, but is not limited to responsibilities relating to the Board's duty of care, duty of loyalty, duty of obedience, and the effect of any breach of duties;
2) the Responsible Corporate Officer Doctrine;
3) whistleblower protections required under the federal and New York State False Claims Acts and under Sections 740 and 741 of the New York State Labor Law.

All new Board members shall receive the training required in this part within 10 days of becoming a Board member.

b. Within 5 business days of the training required in IV.A.3, Provider shall submit to OMIG and the IRO an acknowledgement signed by the Board member that training was received and understood.

c. The Board shall meet periodically, but no less frequently than quarterly, with the Compliance Officer to monitor the activities of the Compliance Program and the performance of the Provider's and Compliance Officer's obligations under the terms of the CIA.

d. The Board shall, at a minimum, be responsible for meeting at least quarterly to review and oversee Provider's Compliance Program, including but not limited to the performance of the Compliance Officer and Compliance Committee.

e. Annually, at Provider's annual Board meeting, the Board shall adopt a resolution, signed on behalf of the Board by the Board Chair, the Board Secretary and Provider's Chief Executive Officer, summarizing the Board's review and oversight of Provider's compliance with the requirements of New York's Medicaid program and this CIA including the performance of the Compliance Officer.

f. At a minimum, the governing Board resolution shall include the following language:

The governing Board of RALEX SERVICES, INC. DOING BUSINESS AS GLEN ISLAND CENTER FOR NURSING AND REHABILITATION ("Provider") has made reasonable and due inquiry into the operations of Provider's Compliance Program, including, but not limited to, the performance of the Compliance Officer and the compliance of Provider with the requirements of the Medicaid program, applicable New York State and the Federal health care programs. Based on that inquiry, the Board has concluded that to the best of its knowledge, Provider has implemented an effective Compliance

Program to meet the requirements of New York's Medicaid program; the requirements of any applicable regulatory agency; and the obligations of this CIA.

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

h. The Board resolution described in "4)" above or the explanation described in "5)" above must be provided to OMIG within 10 calendar days of the Provider's annual Board meeting.

4. Training and Education.

a. Within 90 days after the Effective Date, and annually thereafter, Provider shall provide at least one hour of training on the obligations outlined in Section IV.A to each Covered Person.

b. New Covered Persons shall receive at least one hour of training on the obligations outlined in Section IV.A within 30 days after becoming a Covered Person.

c. For Covered Persons whose primary language is other than English, training and training materials should be provided in their primary language.

d. Each Covered Person who is required to attend training shall certify in writing or in electronic form, that he or she has received the required training. Certification must be completed at the time the training occurs and shall specify the trainer's name, the type of training received and the date on which training was received. The Compliance Officer (or designee) shall retain the certifications, along with all course materials, which shall be made available to OMIG and the IRO upon request.

e. Persons providing the training shall be knowledgeable about the compliance obligations outlined in Section IV.A.

f. The Compliance Officer or his/her designee shall review and update the training annually to reflect changes in the requirements of New York's Medicaid program, and any other relevant information, including any changes to applicable federal law.

g. At the conclusion of all required training related to the obligations outlined in Section IV.A, all Covered Persons shall take a test on the subject matter. The results of the testing shall be used by the Compliance Officer to assess the Covered Person's grasp of the material presented during the training and it shall also be used by the Compliance Officer to assess the effectiveness of the training program. The Compliance Officer (or designee) shall retain the

training post-tests, which shall be made available to OMIG and the IRO upon request.

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

6. Annual Compliance Program Self-Assessment
   a. Provider shall complete an annual compliance self-assessment referred to in *Appendix D. Provider Reports* to this CIA.
   b. Provider shall prepare and implement an annual Compliance Work Plan referred to in *Appendix D. Provider Reports* to this CIA.

B. Requirements Related to Covered Conduct

Provider shall take all action required by *Appendix B. Provider Specific Requirements* according to the timelines set forth therein.

C. Review Procedures

1. Independent Review Organization (herein "IRO").
   a. Engagement. Within 60 days after the Effective Date, and continuously during the term of the CIA, Provider shall engage an entity (or entities), as described in *Appendix A. Independent Review Organization* (hereinafter "Appendix A"), to perform the services and to undertake the responsibilities of the IRO as detailed in Appendix A. The Provider's engagement of the IRO shall be conditioned upon OMIG's approval of the IRO, which approval shall be in OMIG's sole discretion and which shall not be unreasonably withheld. Such approval may be conditioned upon OMIG conducting a background check and interviews of the IRO, among other things. Provider must submit the following information in writing to OMIG within 30 days after the Effective Date in order for OMIG to consider Provider's proposal for the IRO:
      1) name(s), address(es), telephone number(s), email address(es) of the proposed IRO and those individuals who will be primarily

responsible for performing the IRO's services under the proposed engagement between the Provider and the IRO;

2) a copy of the proposed engagement contract/letter that includes, at a minimum an obligation for the IRO to perform such duties as are required under the terms of this CIA, which shall include, but not be limited to the obligations set forth in Appendix A;
3) information to demonstrate that the IRO has the qualifications outlined in Appendix A to this CIA;
4) a summary and description of any and all current and prior engagements or relationships between the Provider and the IRO;
5) a certification from the IRO regarding its professional independence and objectivity with respect to the Provider; and
6) any other information that OMIG may request.

OMIG will notify the Provider if the IRO is acceptable or unacceptable ("IRO Engagement Notice").

b. Provider shall supply to OMIG a complete copy of its executed contract with the IRO within 10 days of the commencement of the IRO's engagement for Provider. Provider shall supply to OMIG any amendments, riders or other changes to the contract between the Provider and the IRO at least 10 days prior to their effective date. The Provider's contract with the IRO shall include, but may not necessarily be limited to, requiring the IRO's performance of the IRO obligations as established in Appendix A.
c. Provider shall cooperate with the IRO, and respond completely and timely to IRO requests made in connection to the IRO's responsibilities as detailed in Appendix A.
d. Retention of Records. The IRO and Provider shall retain and make available to OMIG, upon request, all work papers, supporting documentation, correspondence, and draft reports (those exchanged between the IRO and Provider) related to the reviews.
e. Validation Review.
   1) In the event OMIG has reason to believe that:
      a) the IRO fails to conform to its obligations under this CIA; or
      b) the IRO's work product results are misleading, inaccurate, insufficient or no longer independent,

      OMIG may, at its sole discretion, conduct its own review to determine whether the IRO's work product meets the requirements of the CIA. Provider shall pay the reasonable

cost of any such review performed by OMIG or any of its designated agents.

2) Prior to initiating a Validation Review, OMIG shall notify Provider of its intent to do so and provide a written explanation of why OMIG believes such a review is necessary. To resolve any concerns raised by OMIG, Provider may request a meeting with OMIG to:
   a) discuss OMIG's reasons for the Validation Review;
   b) present any additional information that may address OMIG's concerns; and/or
   c) propose alternatives to the proposed Validation Review.

Provider agrees to provide any additional information requested by OMIG under this Section in an expedited manner. OMIG will attempt to resolve any issues with Provider prior to conducting a Validation Review. However, the final determination as to whether or not to proceed with a Validation Review shall be made at the sole discretion of OMIG.

f. IRO Removal/Termination.

1) Provider Removal of IRO. If Provider desires to terminate or replace its IRO during the course of the engagement, Provider must request OMIG's prior approval. Provider must give OMIG at least 15 days prior written notice which shall include, but not be limited to:
   a) a written explanation of why such step is being requested;
   b) information which addresses all elements required under Section II. of Appendix A relative to the proposed new IRO; and
   c) transition plan between the existing IRO and the proposed IRO.

Provider shall terminate the existing IRO and engage a replacement IRO only with the written approval of OMIG. If OMIG does not object to Provider's termination of the IRO, Provider shall, within 30 days, engage a new IRO in accordance with Appendix A. Absent extenuating circumstances, no termination shall be permitted within 60 days of the due date of a scheduled IRO report.

2) OMIG Removal of IRO.
   a) In the event OMIG has reason to believe that the IRO does not possess the qualifications described in Section II. B of Appendix A; is not independent and/or objective as required by Section II. A. of Appendix A; or has failed to

carry out its responsibilities as described in Section II. of Appendix A, OMIG may, at its sole discretion, require Provider to engage a new IRO that meets the requirements as set out in Appendix A.

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

2. OMIG's Action Based Upon IRO Findings. OMIG, in its sole discretion, may take action based upon any IRO findings, or refer to the appropriate State or Federal entity.

D. Self-Disclosure Program.

Within 60 days of the Effective Date, Provider shall establish and implement a process and written policy to report Overpayments through a Self-Disclosure program that is acceptable to OMIG. Such Self-Disclosure Program shall be submitted to OMIG no later than 60 days from the Effective Date. Provider shall make such changes to its Self-Disclosure program as may be directed by OMIG from time to time.

1. Overpayments subject to OMIG's Self-Disclosure procedure.
   a. Provider must have knowledge of and remain current with OMIG's published Self-Disclosure procedure.
   b. Provider shall make all Self-Disclosures as required by OMIG's Self- Disclosure procedure and repay all Overpayments identified. To the extent that OMIG determines that a Self-Disclosure results

in a repayment to the Medicaid program, Provider shall make a complete repayment of all amounts identified which are agreed to by OMIG within 30 days of notification to OMIG.

c. In addition to any requirements set forth in OMIG's Self-Disclosure procedure, the Provider shall conduct a root cause analysis of the matter that is the subject of the Self-Disclosure. For purposes of this CIA a "root cause" analysis shall mean a process that identifies the origin of the matter that is the subject of the Self-Disclosure by identifying how, where, and why the subject of the Self-Disclosure occurred. As a result of the root cause analysis, the Provider shall:
   1) reassess its initial Self-Disclosure to determine if the Self-Disclosure completely disclosed all Overpayments that may have occurred and are subject to OMIG's Self-Disclosure procedure;
   2) if additional Overpayments are identified, the Provider will update its Self-Disclosure to include those additional Overpayments;
   3) develop a corrective action plan that includes, but may not be limited to taking action to address cause(s) giving rise to the Self-Disclosure that were identified in the root cause analysis;
   4) provide the root cause analysis and the corrective action plan(s) to OMIG and the IRO.

d. In addition to any submissions required by OMIG's Self-Disclosure procedure, Provider shall provide a copy of the Self-Disclosure to the OMIG's Bureau of Compliance and the IRO for informational purposes. Provider shall provide a monthly status report to the Bureau of Compliance on all Self-Disclosures until such time as the Self-Disclosure repayment is complete.

2. Overpayments not subject to OMIG's Self-Disclosure procedure

a. For Overpayments that are not subject to OMIG's Self-Disclosure procedure, the Provider shall use the standard process used to report, repay and explain any Overpayments made by the Medicaid program.

b. The Provider shall prepare a monthly report of any Overpayments that are not subject to OMIG's Self-Disclosure procedure and specify in that report the following:
   1) amount of the Overpayment;
   2) date that the Overpayment was first identified;

3) disposition of the repayment of the Overpayment (i.e. was it returned to the Medicaid program through a void or some other method);
4) the date that the Overpayment was returned to the Medicaid program;
5) the reason that the Overpayment occurred;
6) what systems or processes the Provider put in place to minimize the opportunity for similar Overpayments to occur in the future;
7) the analysis that the Provider performed to identify if the Overpayment was an isolated event or if it was part of a multiple transaction; and
8) whether there were related transactions that could result in the Overpayment being consolidated with other transactions to make the Overpayment subject to OMIG's Self-Disclosure procedure.

c. The Provider shall issue the monthly report to OMIG and the IRO.

E. Reportable Events Program

Within 60 days of the Effective Date, Provider shall establish a process to report Reportable Events through a Reportable Events Program and submit the Program to OMIG. The Reportable Events Program must be acceptable to OMIG. Reportable Events Program should include the following:

1. If Provider determines (after a reasonable opportunity to conduct an appropriate review or investigation of a matter) that a Reportable Event has or will occur, unless a different time period is indicated in this CIA, the Provider shall notify OMIG, in writing, within 5 days after making the determination that a Reportable Event has occurred or the Provider intends to take action that will result in a Reportable Event.

2. The report to OMIG shall include sufficient information to adequately inform OMIG of the facts and circumstances surrounding the Reportable Event. If the Reportable Event involves the filing of a bankruptcy petition, the report shall include documentation of the filing and a description of any Medicaid program issues implicated.

V. IMPLEMENTATION REPORT, ANNUAL REPORTS AND PROVIDER'S RESPONSE TO IRO REPORTS

A. Implementation Report

Within 120 days after the Effective Date, Provider shall submit a written report to OMIG that includes those items required as set forth in *Appendix D. Provider Reports* to this CIA. A copy of the Implementation Report shall be submitted by the Provider to the IRO within the first 30 days of the IRO's engagement with the Provider.

B. Annual Reports

On the annual anniversary date of the Effective Date of the CIA, Provider shall submit a written report to OMIG that includes those items and in the formats required as set forth in *Appendix D. Provider Reports* to this CIA

C. Provider's Response to IRO Reports

Provider shall submit a written response to OMIG in addressing to all IRO reports that includes those items as set forth in *Appendix D. Provider Reports* to this CIA.

VI. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise specified, all notifications and reports required by this CIA shall be submitted in accordance with the *Appendix C. Communications Plan* to this CIA.

VII. OMIG'S INSPECTION, AUDIT AND REVIEW RIGHTS

A. In addition to any other rights it may have by statute, regulation, or contract, OMIG or its duly authorized agents, may, without advance notice, examine or request copies of Provider's books, records, and other documents and conduct on-site inspections of any of Provider's locations for the purpose of verifying and evaluating:

1. Provider's compliance with the terms of this CIA; and/or

2. Provider's compliance with the requirements of the Medicaid program.

The documentation described above shall be made available to OMIG or its duly authorized representative(s) at any reasonable time for inspection, audit, or reproduction. Furthermore, OMIG or its duly authorized representative(s) may interview any of Provider's governing board members, employees, contractors, or agents who consent to be interviewed either at the individual's place of business during normal business hours or at such other place and time as may be reasonably established by OMIG. Provider shall assist OMIG in arranging such interviews.

B. At OMIG's sole option, interviews of any of Provider's officers, management staff or members of the governing board, shall appear for interviews at an OMIG office location designated by OMIG in OMIG's notice to conduct an interview.

C. OMIG may exercise any right or perform any duty under this CIA itself, or OMIG may delegate its right or duty to a duly authorized representative of OMIG with or without notice to Provider.

VIII. DOCUMENT AND RECORDS RETENTION

In addition to any records retention period that applies to all Medicaid providers, the Provider shall maintain for inspection for a period of six Years from the date that this CIA is no longer in effect, any documents, records, information, work papers or data of any type used to prepare or support any deliverable required under the terms of this CIA.

IX. BREACH AND DEFAULT PROVISIONS

Provider's Breach as defined in this CIA creates contractual rights for OMIG under the terms of this CIA which are independent of any regulatory or enforcement rights by OMIG against the Provider. OMIG retains a right to impose monetary penalties (hereinafter referred to as "Stipulated Penalties") as permitted in this CIA. In determining the amount of any Stipulated Penalty, OMIG shall consider the severity of the Breach, Provider's past performance under this CIA, Provider's past compliance with the laws, rules, and regulations of the Medicaid program, and any mitigating factors. OMIG's failure to insist upon performance of any term of this CIA shall not be considered a waiver of OMIG's right to enforce that term of the CIA or any other term of the CIA.

Provider shall, independent of any other obligation set forth in this CIA, develop and implement an appropriate plan of correction to cure or correct any Breach of this CIA.

Stipulated Penalties shall be due by Provider in addition to any other relief that OMIG may pursue as a result of Provider's Breach or Material Breach, including exclusion.

A. Stipulated Penalties for Failure to Comply with Certain Obligations

1. Unless otherwise specified herein, any Breach of any term of this CIA shall be subject to a Stipulated Penalty of $2,500 per day.
   a. The Stipulated Penalty shall begin to accrue on the day that the Breach occurs and shall continue to accrue for each day that the Provider fails to comply with the term of this CIA giving rise to the Breach. If the Provider cures the Breach, Stipulated Penalties shall cease accruing on the date that the Provider cures the Breach.
   b. The penalty shall be assessable for each Breach of any term of this CIA, independent of any other Breach of this CIA.

2. In addition to any other penalty that may be assessed under the terms of this CIA, Provider's failure to cooperate, respond or respond completely or timely, in connection with any request made by OMIG, or its duly authorized representative under Section VII – OMIG's Inspection, Audit and Review Rights shall be subject to a Stipulated Penalty of $1,500 per day.
   a. The Stipulated Penalty shall begin to accrue on the day that the Breach occurs and shall continue to accrue for each day that the Provider fails to comply with the term of this CIA giving rise to the Breach. If the Provider cures the Breach, Stipulated Penalties shall cease accruing on the date that the Provider cures the Breach.
   b. The penalty shall be assessable for each Breach of any term of this CIA, independent of any other Breach of this CIA.

3. A Stipulated Penalty of $50,000 shall be imposed for each false certification submitted by or on behalf of Provider as part of its Implementation Report, Annual Reports, additional documentation to a report (as requested by OMIG), or as otherwise required by this CIA. In addition to any other remedy available to OMIG under the

terms of this CIA, a false certification may also subject the person making the false certification to criminal prosecution for a misdemeanor or felony under the New York State Penal Law.

4. A Stipulated Penalty of $50,000 shall be imposed for each false statement made by or on behalf of Provider under this CIA. Stipulated Penalties for false statements will apply to each false statement. In addition to any other remedy also available to OMIG under the terms of this CIA, a false statement may subject the person making the false statement to criminal prosecution for a misdemeanor or felony under the New York State Penal Law.

B. Timely Written Requests for Extensions

1. Provider may, in advance of any due date required by the terms of this CIA, submit a Timely Written Request for an extension of time to perform any act or file any notification or report required by this CIA. Provider shall contact OMIG as specified in *Appendix C. Communications Plan*.
   a. Notwithstanding any other provision in this Section, if OMIG grants the Timely Written Request with respect to an act, notification, or report, Breach for failure to perform the act or file the notification or report, Stipulated Penalties shall begin to accrue on the day that the Provider fails to meet the revised deadline set by OMIG.
   b. If OMIG does not approve a Timely Written Request, existing CIA terms apply. Stipulated Penalties for failure to perform the act or file the notification or report shall not begin to accrue until one day after the Provider receives OMIG's written denial of such request or the original due date, whichever is later.

2. It shall be the responsibility of the Provider to supply OMIG with all information necessary for OMIG to make an informed assessment of the Provider's request for an extension. This shall include, but not be limited to
   a. a description of what the Provider has already done to meet the original due date;
   b. what is preventing the Provider from meeting the original due date; and
   c. identification of the action plan including tasks with their target dates in order to meet the Provider's proposed revised due date.

3. OMIG shall in its sole judgment determine if the Provider's extension is:
   a. approved as requested;
   b. approved with conditions or limitation; or
   c. not approved.

   OMIG's decision to approve, approve with conditions or limitations, or not approve the Provider's request for an extension shall be in writing to the Provider using the procedures set forth in *Appendix C. Communications Plan*.

C. Notice of Breach and Demand for Stipulated Penalties.

1. Demand Letter. Upon a determination by OMIG that Provider is in Breach of any term of this CIA, OMIG shall advise the Provider electronically in writing that the Provider is in Breach and OMIG shall advise the Provider that Stipulated Penalties are being assessed. (This notification shall be referred to as the "Demand Letter.") Stipulated Penalties shall be assessed as set out in this CIA.

2. Response to Demand Letter. Within 10 business days of the date of electronic transmission of OMIG's Demand Letter, the Provider shall either:
   a. cure the Breach to OMIG's satisfaction and pay the Stipulated Penalty; or
   b. request Administrative Review to dispute OMIG's determination of noncompliance, pursuant to the agreed upon provision set forth below in Section IX.E. In the event the Provider elects to request Administrative Review, the Stipulated Penalties may, in OMIG's discretion, continue to accrue until the Provider cures, to OMIG's satisfaction, the alleged Breach in dispute.

   Failure to respond to the Demand Letter shall constitute a Material Breach of this CIA and shall be grounds for exclusion under Section IX.D.

3. Form of Payment. Payment of the Stipulated Penalties shall be made by such method identified by OMIG in the Demand Letter.

4. Independence from Material Breach Determination. Assessment by OMIG of Stipulated Penalties for Breach of any term of this CIA by the Provider, shall not affect OMIG's ability to determine the Provider's Breach to be a Material Breach as defined in Section III. D. The

obligation of the Provider to pay Stipulated Penalties shall survive any termination or suspension of this CIA.

D. Exclusion for Material Breach of this CIA

1. Notice of Material Breach and Intent to Exclude. The parties agree that a Material Breach of this CIA by Provider constitutes an independent basis for Provider's exclusion from participation in the Medicaid program. Upon a reasonable determination by OMIG that Provider is in Material Breach of this CIA and that exclusion is the appropriate remedy, OMIG shall notify Provider (the "Notice of Material Breach and Intent to Exclude") of:
   a. Provider's Material Breach; and
   b. OMIG's Intent to Exclude Provider.

   The exclusion shall go into effect 30 days after the date of OMIG's electronic transmission to the Provider of the Notice of Material Breach and Intent to Exclude. The exclusion shall have the effect as set forth in 18 NYCRR § 515.1(b)(6).

2. Effect of Material Breach. The Provider acknowledges and agrees that entering into this CIA is a condition set forth in the Stipulation and Order of Settlement between the United States of America and the State of New York ex rel. Carolyln Hinestroza v. Ralex Services, Inc. d/b/a/ "Glen Island Center For Nursing and Rehabilitation," Leah Friedman, and Will-Maur Associates, LLC, dated August 21, 2014 and that OMIG has determined that this CIA is necessary. If OMIG determines that Provider has engaged in a Material Breach of this CIA, OMIG may exclude the Provider from New York's Medicaid program. The effect of OMIG's exclusion of the Provider is that the Provider shall be excluded from participation in the New York State Medicaid program at such date that OMIG shall determine and this CIA shall be terminated as set forth in Section X. C. below.

   a. The Provider shall have no opportunity to cure a Material Breach.

   b. The Provider specifically agrees that its sole and exclusive remedy to address OMIG's determination that Provider is in Material Breach of this CIA is, as a matter of contract, limited to the Dispute Resolution process as set forth in Section IX.E. below.

3. Effect of Failure to Disclose or Failure to Discover a Material Breach During the Term of the CIA. The parties agree that any Material Breach of this CIA that is not disclosed, reported or discovered by OMIG during the term of this CIA shall continue to be subject to Section IX. D. for a period of one Year following the expiration of this CIA.

E. Dispute Resolution.

1. Review Rights
   a. Provider is not entitled to an administrative hearing on disputes arising under this CIA. However, upon OMIG's delivery to the Provider of its Demand Letter or its Notice of Material Breach and Intent to Exclude, and as an agreed-upon contractual remedy for the resolution of disputes arising under this CIA, Provider shall be afforded certain review rights ("Administrative Review"). Specifically, OMIG's determination to demand payment of Stipulated Penalties or to seek exclusion shall be subject to review by OMIG's Office of Counsel (similar to its review under 18 NYCRR 515.7(g)). Provider's request for Administrative Review, as well as any written arguments and documentation, shall be submitted within 10 days after receipt of the Demand Letter or Notice of Material Breach and Intent to Exclude. Issues the Provider may raise in any written arguments or documentation are limited to those specified in IX.E.2 and IX.E.3.
   b. All requests for Administrative Review must be sent to Appeals@omig.ny.gov with the subject "Request for CIA Administrative Review" or as otherwise specified in the Demand Letter or in the Notice of Material Breach and Intent to Exclude.

2. Stipulated Penalties Review
   a. The only issues in an Administrative Review for Stipulated Penalties under this CIA shall be:
      1) whether the Provider was in full and timely compliance with the obligations of this CIA for which OMIG demands payments; or
      2) the period of noncompliance.
   b. Provider shall have the burden of proving:
      1) its full and timely compliance such that there was no Breach of the CIA; or
      2) the date(s) upon which the Provider was in compliance.

c. If the Administrative Review affirms and/or modifies OMIG's finding of a Breach of this CIA and orders the Provider to pay Stipulated Penalties, such Stipulated Penalties shall become due and payable one business day after the OMIG issues such decision.

3. Exclusion Review
   a. The only issue in an Administrative Review for exclusion based on a Material Breach of this CIA shall be whether the Provider was in Material Breach of this CIA.
   b. The exclusion shall take effect only after an OMIG Administrative Review decision favorable to OMIG. Provider's election of its contractual right to appeal to OMIG for Administrative Review shall not abrogate OMIG's authority to exclude Provider upon the issuance of a decision in favor of OMIG. If OMIG's Administrative Review sustains the determination of OMIG and determines that exclusion is authorized, such exclusion shall take effect immediately after the OMIG issues such a decision. Provider shall waive its right to any separate notice of such an exclusion if a decision upholding the exclusion is rendered by the OMIG.

4. Finality of Decision
   a. OMIG's Office of Counsel shall issue its written decision relative to the Administrative Review within 30 business days after the Provider submits its notice.
   b. The review by the OMIG provided in Section IX.E shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that OMIG's decision in such an appeal shall be considered final for all purposes under this CIA.

X. EXPIRATION, SUSPENSION AND TERMINATION OF THE CIA

A. Expiration. This CIA shall be considered to have expired by its terms if it has not been suspended or terminated by OMIG, or suspended or terminated according to a written agreement between the parties to this CIA.

B. Suspension. Unless otherwise indicated, in OMIG's sole judgment, OMIG may implement a suspension of Provider's obligations under this CIA based on:

1. a certification by Provider that it is no longer providing health care items or services that will be billed to Medicaid;

2. it does not have any ownership or control interest, in any entity that bills Medicaid or any Federal health care program in New York State;

3. proof that the Provider has requested a voluntary termination of all Medicaid Provider Identification numbers associated with the Provider's Federal Employee Identification Number from the New York State Department of Health, Enrollment Unit and that the Provider's request has been processed;

4. proof that the Provider has terminated all of its contracts and has no plans to enter into any new contracts with managed care companies who provide Medicaid benefits under a managed care contract with the State of New York State; and/or

5. mutual agreement of the parties to this CIA, which may also be contingent upon conditions that are established by OMIG in its sole judgment.

If Provider is relieved of its CIA obligations under Section X B. 1., 2., 3. or 4., Provider shall notify OMIG in writing at least 30 days in advance if Provider plans to resume providing health care items or services that are billed to Medicaid or any Federal health care program in New York State or to obtain an ownership or control interest in any entity that bills Medicaid or any Federal health care program or to contract with any entity that bills Medicaid or any Federal health care program. At such time, the OMIG shall evaluate whether the CIA will be reactivated or modified. Reactivation or modification shall be at OMIG's sole discretion and may include imposition of additional requirements on the Provider by OMIG, which shall not be unreasonably applied as determined by OMIG.

If Provider is relieved of its CIA obligations under Section X B. 5. and does not meet the requirement of any contingency associated with the suspension, OMIG shall evaluate whether the CIA will be reactivated or modified. Reactivation or modification shall be at OMIG's sole discretion

and may include imposition of additional requirements on the Provider by OMIG, which shall not be unreasonably applied as determined by OMIG.

C. Termination.

1. This CIA may be terminated by OMIG in OMIG's sole judgment following a final decision that has the effect of excluding the Provider from the Medicaid program in New York State when such decision is related to an exclusionary proceeding outside the terms of this CIA. Such decision shall be considered final at such time as any final appeals have been rendered.

2. This CIA may be terminated by OMIG as a result of a Material Breach of this CIA by Provider, as such Material Breach is reasonably determined by OMIG in its sole judgment.

3. Notwithstanding Section X. C.1. and 2. above, this CIA may be terminated in OMIG's sole discretion.

XI. Reserved.

XII. EFFECTIVE AND BINDING AGREEMENT

Provider and OMIG agree as follows:

A. Good and valuable consideration has been exchanged between the parties to this CIA.

B. This CIA shall become final and binding on the date the final signature is obtained on the CIA as established in Section II. A.

C. This CIA shall be considered to include the Corporate Integrity Agreement and any Appendix, Attachment or Amendment to this CIA which is in writing and executed by the parties to this CIA. They shall collectively constitute the entire and complete agreement between the parties and may not be amended except by prior written consent of the parties to this CIA, or as may be otherwise permitted.

D. The terms of any Appendix, Attachment or Amendment to the CIA shall be incorporated by reference as if fully set forth in this CIA. If there is any conflict between a term in the CIA and any Appendix, Attachment or Amendment, the terms of the CIA shall control unless otherwise specifically stated in the terms of the Appendix, Attachment or Amendment.

E. This CIA shall be binding on the successors, assigns, and transferees of Provider.

F. All requirements and remedies set forth in this CIA are in addition to, and do not effect:

1. Provider's responsibility to follow all applicable New York State and Federal health care program requirements or

2. the State of New York's or the federal government's right to impose appropriate remedies for failure to follow applicable program requirements.

G. The undersigned Provider signatories represent and warrant that they are authorized to execute this CIA. The undersigned OMIG signatory represents that he/she is signing this CIA in his/her official capacity and that he/she is authorized to execute this CIA.

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

XIII. APPENDICES INCLUDED WITHIN THE TERMS OF THIS CIA:

The following Appendices are incorporated by reference within the terms of this CIA as if they were fully set forth herein:

Appendix A. Independent Review Organization
Appendix B. Provider Specific Requirements
Appendix C. Communications Plan
Appendix D. Provider Reports

AGREED TO:

On behalf of **RALEX SERVICES, INC.** DOING BUSINESS AS
GLEN ISLAND CENTER FOR NURSING AND REHABILITATION

BY: [redacted]

Print Name: LEAH FRIEDMAN
Title: Chair of the Governing Board

DATE: 3/28/16

BY: [redacted]

Print Name: LEAH FRIEDMAN
Title: President/Chief Executive Officer

DATE: 3/28/16

On behalf of **NEW YORK STATE MEDICAID INSPECTOR GENERAL**

BY: [redacted]
Matthew D. Babcock
Assistant Medicaid Inspector General

DATE: 4/1/2016

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL
AND
RALEX SERVICES, INC. DOING BUSINESS AS
GLEN ISLAND CENTER FOR NURSING AND REHABILITATION

APPENDIX A

INDEPENDENT REVIEW ORGANIZATION

I. EFFECT OF APPENDIX

Provider has entered into the CIA with the New York State OMIG to which this Appendix is attached. Unless indicated otherwise or agreed to in writing between the parties to the CIA this Appendix shall continue in full force and effect for the term of the CIA and any period after the termination, suspension or expiration of the CIA unless otherwise noted or the context clearly indicates to the contrary. The terms of this Appendix are incorporated into the CIA, as if this Appendix were fully set forth within the CIA.

II. INDEPENDENT REVIEW ORGANIZATION (IRO)

This Appendix contains the requirements relating to the IRO required by Section IV. C. of the CIA between the parties to which this is attached. When this Appendix and the CIA refer to IRO it should be considered to mean not only the IRO with the legal or contractual relationship with the Provider, but also any agents, contractors or subcontractors of the IRO who are involved in any way with provision of work product or services to the IRO which is used by the IRO or the Provider to further the IRO's engagement with the Provider and the Provider's obligations under the CIA.

A. Role of the IRO

In carrying out the IRO responsibilities as defined in this Appendix, the IRO serves as an assessment and reporting entity to OMIG and should not serve as a consultant to the Provider or agent of the Provider, its affiliates or subsidiaries in interactions with OMIG or other appropriate regulatory agencies. The IRO shall maintain its independence and objectivity as defined in section 3.03 and section 1.19, respectively, in the United States Government Accountability Office's *Government Auditing Standards, 2011 Revision*. Failure of the IRO to maintain independence and objectivity may result in OMIG's removal of the IRO, as set out in Section IV.C.1.f.2) of the

CIA.

B. IRO Qualifications

The IRO and its dedicated principal employees and principal contractors who will be engaged in providing the services under the terms of the CIA shall have knowledge and experience with:

1. NYS SSL §363-d and 18 NYCRR Part 521 and evaluating Compliance Programs in connection to the requirements of NYS SSL §363-d and 18 NYCRR Part 521;
2. 42 USC §1396a(a)(68) and evaluating providers' obligations in connection to the requirements of 42 USC §1396a(a)(68);
3. conducting systems reviews, as set forth in Paragraph "G" below, of healthcare facilities;
4. the following areas:
   a. medical chart reviews and the ability to determine medical necessity; and
   b Minimum Data Set (MDS) requirements.

C. IRO Work Plans

1. Within 60 days after OMIG's approval of the IRO the IRO shall develop an acceptable proposed work plan for the first Year and shall deliver it to the OMIG for review. Likewise, within 30 days of the beginning of each remaining Year, the IRO shall deliver to OMIG an acceptable proposed work plan for the upcoming period. The work plans shall, at minimum:
   a. identify all IRO Responsibilities required to be completed within the Year;
   b. outline specific tasks with scheduled start dates and end dates;
   c. name the individual responsible for ensuring the completion of the task identified.
2. Within a reasonable time after OMIG receives the proposed work plan, OMIG will notify the Provider and the IRO in writing whether the work plan is acceptable. OMIG shall in its sole discretion determine if the submitted work plan is acceptable. Once OMIG determines that the work plan is acceptable, the IRO may conduct the services for the applicable period according to the work plan.

D. IRO General Responsibilities

The IRO shall:

1. assign sufficient staff and resources to conduct the reviews and produce the reports and certifications required under the terms of the CIA on a timely basis;
2. use its work plans and methods that meet acceptable professional standards and which are reasonably calculated to test Provider's compliance with Medicaid rules and compliance with the CIA's terms;
3. if in doubt of the application of a particular Medicaid policy or regulation, take all reasonable and timely steps required to obtain clarification from the appropriate authority (e.g., fiscal agent or the New York State Department of Health (DOH), Office of Health Insurance Programs (OHIP), OMIG, or Provider's applicable program agency);
4. have the right to communicate with OMIG, and other state or federal agencies without notice to, or the consent of, Provider. OMIG shall have the right to communicate with the IRO without notice to, or the consent of Provider;
5. respond to all OMIG inquiries:
   a. in an objective, complete, and factual manner,
   b. using forms and formats as directed by OMIG, where applicable, and
   c. within the time period that is reasonably established by OMIG;
6. make all communications to OMIG based upon the requirements of the CIA's Appendix C. Communications Plan;
7. prepare clear, concise, well-written reports, and submit reports by any due dates specified in this Appendix, the CIA, or as defined by OMIG;
8. produce all reports to include all the information required by this Appendix, the CIA, or as defined by OMIG;
9. retain and make available to OMIG, upon OMIG's request, all work papers, supporting documentation, draft reports, and correspondence between the IRO and Provider, for a period of six (6) Years from the date that the CIA to which this Appendix is attached, is no longer in effect;
10. notify the Provider and OMIG in writing within 30 calendar days of any change in the principal employees or principal contractors that are engaged in providing the services required of the IRO under the terms of the CIA and any of its Appendices. The notification shall include all the information required by IV. C. 1.a. 1) of the CIA;
11. Review, test and report to OMIG on the adequacy and effectiveness of all corrective action plans that are established for any identified internal control weaknesses, and monitor the implementation of corrective action plans;
12. Review, test and report to OMIG on the adequacy and effectiveness of all root cause analyses performed by the Provider associated with

any Self-Disclosures made by the Provider during the term of the CIA, together with the adequacy and effectiveness of any corrective action plans that are established to address the subject of any Self-Disclosures made by the Provider during the term of the CIA;

13. Test and report to OMIG on Provider's adherence with all directives and guidance that the Provider is subject to by the New York State Department of Health and OMIG; and
14. Verify information reported in Provider's Annual Report.

E. Compliance Program Review and Compliance Program Review Report

1. Compliance Program Review

The IRO shall conduct an annual Compliance Program review of the Provider's Compliance Program to assess the Provider's performance relative to the mandatory Compliance Program requirements under NYS SSL§363-d and 18 NYCRR Part 521 and if applicable, 42 USC §1396a(a)(68).

As part of the compliance program review, the IRO shall:

a. attend at least one, Full Board meeting, each Year and all monthly Compliance Committee meetings to assess Provider's reporting on activities of the compliance program and response to issues that are raised.
b. conduct a survey of Covered Persons to assess their understanding of the compliance program.

2. Compliance Program Review Report

The IRO shall prepare a Compliance Program Review Report as described in this section of this Appendix for each Compliance Program review performed.

The Compliance Program Review Report shall include:

a. A cover letter that identifies:
    1) A description of how the Compliance Program review was conducted and what was evaluated, along with a description of the specific information and documentation relied upon by the IRO when performing the Compliance Program review;
    2) insufficiencies with provider's Compliance Program;
    3) differences between IRO findings and Provider findings as indicated in Provider's self-assessment of its

Compliance Program

b. A narrative that indicates the IRO's findings in connection to each element required of an effective Compliance Program.

c. The IRO's assessment of the Board meetings and compliance meetings attended.

d. The results of the employee survey related to the compliance program.

F. Claims Review and Claims Review Report

1. Claims Review

The IRO shall perform the Claims Review annually to cover each of the five Years. The IRO shall perform all components of each Claims Review.

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

1) Year: Each period beginning with the Effective Date.

2) Overpayment: The amount of money Provider has received in excess of the amount due and payable under the Medicaid program, as determined by OMIG in connection with the IRO claims reviews performed under this Appendix, and which shall include any extrapolated Overpayments determined in accordance with OMIG audit protocols.

3) Paid Claim: A claim submitted by Provider and for which Provider has received reimbursement from the Medicaid program.

4) Population: The Population shall be defined as all Paid Claims during the 12-month period covered by the Claims Review.

b. Sample. OMIG, or the IRO if directed by OMIG, will generate a random sample of Paid Claims submitted by or on behalf of Provider. The sample will be generated in accordance with OMIG audit protocol. The sample will be provided to the IRO, or generated by the IRO if directed by OMIG, and the Paid Claims shall be reviewed by the IRO based on the supporting documentation available at Provider's office or under Provider's control and applicable billing and coding regulations and guidance to determine whether the claim was correctly coded, submitted, and reimbursed.

The IRO must request the sample from OMIG at least four

weeks prior to initiating the Claims Review.

c. Supplemental Materials. The IRO shall request all documentation and materials required for its review of the Paid Claims selected as part of the Claims Review and provide a deadline as to when Provider should furnish the requested documentation and materials. Provider shall furnish such documentation and materials to the IRO by the defined deadline and prior to the IRO initiating its Claims Review.

d. Paid Claims without Supporting Documentation. Any Paid Claim for which Provider cannot produce documentation sufficient to support the Paid Claim shall be considered an error and the total reimbursement received by Provider for such Paid Claim shall be deemed an Overpayment. Replacement sampling for Paid Claims with missing documentation is not permitted.

2. Claims Review Report

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

a. Claims Review Methodology.

1) Claims Review Population. A description of the Population subject to the Claims Review.

2) Claims Review Objective. A clear statement of the objective intended to be achieved by the Claims Review.

3) Source of Data. A description of the specific documentation relied upon by the IRO when performing the Claims Review (e.g., medical records, physician orders, certificates of medical necessity, requisition forms, local medical review policies (including title and policy number), CMS program memoranda (including title and issuance number), New York State issued regulatory guidance (including issue and date), other policies, regulations, or directives).

4) Review Protocol. A narrative description of how the Claims Review was conducted and what was evaluated.

5) Supplemental Materials. If the IRO accepted any supplemental documentation or materials from Provider after the IRO completed its initial Claims Review, 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. Claims Review Findings.

1) Narrative Results.
   a) A description of Provider's billing and coding system(s), including the identification, by position description, of the personnel involved in coding and billing.
   b) A narrative explanation of the IRO's findings and supporting rationale (including reasons for errors, patterns noted, etc.) regarding the Claims Review, including the results of the Sample.

2) Quantitative Results.
   a) Total number and percentage of instances in which the IRO determined that the Paid Claims submitted by Provider (Claim Submitted) differed from what should have been the correct claim (Correct Claim), regardless of the effect on the payment.
   b) Total number and percentage of instances in which the Claim Submitted differed from the Correct Claim and in which such difference resulted in an Overpayment to Provider.
   c) Total dollar amount of all Overpayments in the Sample (if applicable).
   d) Total dollar amount of Paid Claims included in the Sample and the Overpayment associated

with the Sample.

e) Claims Review data in a form and format acceptable to OMIG 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.), date of original payment, 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. The Claims Review data may also include other Paid Claim information as defined by OMIG.

3) Recommendations. The IRO's report shall include any recommendations for improvements to Provider's billing and coding system based on the findings of the Claims Review.

G. Systems Review and Systems Review Report

1. Systems Review.

a. The IRO shall perform the Systems Review in each Year. The IRO shall perform all components of the Systems Review.

b. The Systems Review shall be a review of Provider's systems, processes, policies, procedures, and contracts in connection to billing and payment for Medicaid services. The Systems Review shall evaluate whether or not the Provider's systems, processes, policies, procedures, and contracts support appropriate claim processing for Medicaid reimbursement.

c. The Systems Review shall include a root cause analysis of claims resulting in Overpayments detected as part of the Claims Review. If no Overpayment was detected in the Claims Review, the Systems Review will include an analysis of Paid Claims from the Claims Review to ensure that Provider's systems, processes, policies, procedures, and contracts supported the processing of the paid claim.

d. The IRO shall prepare a Systems Review Report as described in the Systems Review Report section of this Appendix for each Systems Review performed.

2. Systems Review Report

The following information shall be included in the Systems Review Report:

a. Systems Review Objective - a clear statement of the objective intended to be achieved by the Systems Review;
b. Source of Data - a description of the specific documentation relied upon by the IRO when performing the Systems Review and any personnel interviewed;
c. Review Protocol - a narrative description of how the Systems Review was conducted and what was evaluated;
d. Description of reviewed systems, processes, policies, procedures, and contracts;
e. Review Findings - a narrative that shall include but not be limited to the IRO's observations, findings, and recommendations regarding:
    1) strengths and weaknesses in Provider's systems and processes;
    2) comparison to the findings of the prior Year's System Review results; and
    3) possible improvements to Provider's systems and processes to address the specific problems or weaknesses identified or that resulted in identified Overpayments; and
f. Credentials. The names and credentials of the individuals who:
    1) designed the procedures and the review methodology utilized for the Systems Review and
    2) performed the Systems Review.

H. Annual Reports

1. The IRO shall submit an Annual Report in each Year. The Annual Report shall address the Provider's performance in meeting all CIA obligations. Specifically, the IRO Annual Report shall:

a. be responsive to each area included in the Provider's Annual Report. The IRO is expected to verify information reported in Provider's Annual Report and make recommendations as appropriate.
b. The IRO shall include an analysis of the current Year (as defined in this Appendix) compared to the prior Year(s) together with a status of any plans of correction or action taken

by the Provider in response to recommendations or deficiencies cited in the previous Annual Report(s).

The IRO's Annual Report shall be submitted within 60 days of the Provider's Annual Report submission.

I. Provider Specific Obligations and related Reports

1. Conduct Audits of MDS assessments and information.

a. The IRO shall review and provide an assessment of Provider's internal audit process relative to Provider's monthly MDS audit requirement.

b. The IRO shall conduct an annual independent audit of Provider's MDS assessments and information. The audit shall include but not be limited to:
i. reviewing resident assessment data submitted into the MDS system, used to determine the Case Mix Index component of the Medicaid payment rate;
ii. assessing the accuracy of Provider's reporting of residents' conditions, diagnoses, treatments, and their ability to perform activities of daily living, which shall include observing residents;
iii. conducting medical records reviews;
iv. conducting staff and resident interviews to validate MDS coding.
v. determining if the Provider is submitting its MDS information to the State timely and accurately.

The IRO shall submit a report that identifies inaccuracies and quality of care concerns found as a result of the MDS audit.

2. Conduct Audits of Cost Reports.

Audit and report on the accuracy of Provider expenses in connection to related entities,[1] including but not limited to: Schedule 1 of Part IV (Schedule of Fees and Purchased and Contracted Services), to ensure Provider identifies and accurately reports all payments to related and contracted vendors; and Schedule 14 of Part II (Supplementary Salary and Fringe Benefits), to ensure that Glen Island accurately reports all payments made to or on behalf of operators, relatives of operators, executive directors, administrators,

1 Related entities include, but are not limited to, Leah Friedman, Burton Flax, Willa Flax, Maury Flax, ALLIW, LLC, Will-Maur Associates LLC, and New York Financial and Mortgage Company Inc.

assistant administrators, and receiver.

J. IRO Independence and Objectivity

1. In order to maintain independence in fact and appearance, the IRO shall not have any additional business relationships or engagements, beyond the IRO engagement, with the Provider during the term of the CIA. Upon engagement and included as part of every submission to OMIG, the IRO shall certify to this independence and objectivity taking into consideration the Role of the IRO (Section II.A) under this Appendix. In making the certification of its independence and objectivity required under a CIA, the IRO should consider whether there are personal, external, or organizational impairments[2] to independence.
2. The IRO shall report to OMIG within 10 days, any offer of employment or engagement made to the IRO by the Provider beyond the IRO's responsibilities specified in this Appendix.

K. IRO Transition Report

Within 60 days of the termination of any IRO from its engagement under the CIA, for whatever reason, the terminating IRO must file a final transition report with OMIG:

1. addressing all matters specified by OMIG in connection to the termination of the IRO under Section IV C. 1.f. of the CIA; or
2. addressing all matters within the scope of its engagement if the IRO's engagement ends as a result of the IRO's termination of the engagement with the Provider.

III. SAVINGS CLAUSE

Provider specifically delegates to OMIG and OMIG agrees that to the extent that any term of this Appendix conflicts with a term of any other Appendix to the CIA to which they are attached, OMIG in its sole judgment shall determine which term shall take precedence. Such determination by OMIG shall be documented in writing and communicated to the Provider.

[2] The term "organizational impairment" shall be considered to include, but not be limited to prior or current business relationship/dealings either directly or indirectly between the Provider and the IRO, its affiliates, subsidiaries, or key employees of IRO.

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL
AND
RALEX SERVICES, INC. DOING BUSINESS AS
GLEN ISLAND CENTER FOR NURSING AND REHABILITATION

APPENDIX B

PROVIDER SPECIFIC REQUIREMENTS

I. EFFECT OF APPENDIX

Provider has entered into the CIA with the New York State OMIG to which this Appendix is attached. Unless indicated otherwise or agreed to in writing between the parties to the CIA this Appendix shall continue in full force and effect for the term of the CIA and any period after the termination, suspension or expiration of the CIA unless otherwise noted or the context clearly indicates to the contrary. The terms of this Appendix are incorporated into the CIA, as if this Appendix were fully set forth within the CIA.

II. REQUIREMENTS RELATED TO COVERED CONDUCT

A. Within 30 days of the Effective Date of this CIA, Provider must:

Begin to reconstitute its governing board to include at least one Independent Director. For purposes of this CIA "Independent Director" shall have the meaning as set forth in the New York Not-for-Profit Corporation Law at section 102. The reconstituted Board shall be in place within six (6) months of the Effective Date of the CIA. The Independent Director must have management background and experience in long term care facilities. Prior experience on a Board is preferable.

B. Within 10 days of the Board being reconstituted, Provider shall:

1. submit the information required of Board members as defined in Section II.B.2 of Appendix D.
2. provide the Independent Director with a copy of the By-Laws of Ralex Services, Inc., a copy of the Certificate of Incorporation and any amendments, and a copy of the most recent Board meeting minutes. The Independent Director must submit to OMIG, within 5 business days, an acknowledgement that they were received.

B. Monthly, Provider must:

1. conduct an audit of the Minimum Data Set (MDS) information and supply a report to OMIG and the IRO by the end of each month which details the process, findings, and names and titles of the individuals involved in the audit;
2. provide a roster of individuals completing MDS assessments on behalf of Provider;
3. hold a Compliance Committee meeting to discuss matters related to the compliance program.
4. provide a copy of the Compliance Committee meeting minutes to OMIG and the IRO within 5 business days of each meeting.

C. Annually, Provider must:

1. conduct an annual unallowable cost review to include but not be limited to the unallowable costs identified during the federal government and the state's investigation that resulted in the Provider becoming subject to the Settlement Agreement.

D. As necessary, Provider must:

1. provide a copy of Board meeting minutes to OMIG and the IRO within 5 business days of each meeting.
2. report any potential sale of its operations giving 30 days prior notice as required by the Settlement Agreement (Settlement, paragraph 22, page 17).
3. engage an outside entity to complete MDS information if deemed necessary in OMIG's sole discretion.
4. implement a system for automated auditing of all MDS assessments prior to submission to the State.
5. submit Provider's corporate bylaws to OMIG within ten (10) days of the Effective Date of the CIA. If necessary, Provider shall amend its corporate bylaws within ten (10) days of the Effective Date of the CIA in order to reconstitute the governing board as required by II. A. of this Appendix.
6. submit to OMIG any amendments to the Provider's certificate of incorporation or its bylaws within ten (10) days of any amendment.
7. within ten (10) days of the Effective Date of the CIA and within ten (10) days of any changes, submit to OMIG the names and qualifications of all governing body members.

E. Provider shall provide such information and in such formats as requested by OMIG and the IRO to confirm Provider's compliance with this requirement, including, but not limited to copies of any tax or other governmental filings, contracts, agreements, and letters. Provider shall make its employees, management, governing board, contractors and others within its control, available for interviews by OMIG and/or IRO as part of the confirmation process.

III. ADDITIONAL REQUIREMENTS RELATED TO PROVIDER'S COMPLIANCE PROGRAM

A. Within 30 days Provider must:

1. gain OMIG approval of the Compliance Officer or begin taking steps to replace the Compliance Officer if rejected by OMIG. The Compliance Officer shall not be any of the Provider's owners, operators, or administrators;
2. establish a Compliance Committee consisting of at minimum:
   - i. the Independent Director;
   - ii. the Compliance Officer;
   - iii. the Director of Nursing Services;
   - iv. the Director of Rehabilitation Services;
   - v. the Minimum Data Set Coordinator;
   - vi. the Director of Admissions;
   - vii. the Medical Director; and
   - viii. the Independent Review Organization (IRO) representative.
3. establish a reporting structure that allows the Compliance Officer to report directly to the Independent Director as the Compliance Officer deems appropriate in connection to compliance related matters.
4. develop and implement a system for conducting internal audits of MDS information. The system must be reflected in policy. The policy must include a corrective action and reporting process when issues are identified;
5. correct all deficiencies noted in the two most recent Certified Public Accountant Management Letters issued to the Provider.

IV. REQUIREMENTS RELATED TO TRAINING REQUIREMENT

A. A copy of all training materials and documentation to support this information shall be made available to the IRO and OMIG upon request.

B. Within 90 days of the Effective Date, Provider must provide training to all relevant Covered Persons on MDS requirements and Provider's system for conducting internal audits of MDS information.

V. SAVINGS CLAUSE

Provider specifically delegates to OMIG and OMIG agrees that to the extent that any term of this Appendix conflicts with a term of any other Appendix to the CIA to which they are attached, OMIG in its sole judgment shall determine which term shall take precedence. Such determination by OMIG shall be documented in writing and communicated to the Provider.

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL
AND
RALEX SERVICES, INC. DOING BUSINESS AS
GLEN ISLAND CENTER FOR NURSING AND REHABILITATION

APPENDIX C

COMMUNICATIONS PLAN

I. EFFECT OF APPENDIX

Provider has entered into the CIA with the New York State Office of the Medicaid Inspector General (OMIG) to which this Appendix is attached. Unless indicated otherwise or agreed to in writing between the parties to the CIA this Appendix shall continue in full force and effect for the term of the CIA and any period after the termination, suspension or expiration of the CIA unless otherwise noted or the context clearly indicates to the contrary. The terms of this Appendix are incorporated into the CIA, as if this Appendix were fully set forth within the CIA.

II. COMMUNICATIONS REQUIREMENTS UNDER THE CIA

A. Unless otherwise stated in writing or as directed in Section III of this Appendix, all notifications, certifications, disclosures and reports required to be submitted in connection to the CIA, shall be addressed to the following:

1. OMIG:

Assistant Medicaid Inspector General/Supervisor Corporate Integrity Unit
Bureau of Compliance
NYS Office of the Medicaid Inspector General
800 North Pearl Street
Albany, NY 12204
Telephone: 518-408-0401
Electronic Mail Address: cia@omig.ny.gov

2. Provider:

Ralex Services, Inc. d/b/a/ "Glen Island Center For Nursing and Rehabilitation"490 Pelham Road
New Rochelle, NY 10805
Telephone: (914) 636-2800

Attention: Leah Friedman
Electronic Mail Address: lfriedman@gicnr.com

With a copy to:

Nixon Peabody, LLP
677 Broadway, 10th Floor
Albany, NY 12207-2996
Telephone: (518) 427-2650
Attention: Peter J. Millock, Esq.
Electronic Mail Address: pmillock@nixonpeabody.com

B. Unless otherwise stated in writing, all notifications, certifications, Reportable Events, reports and CIA related submissions required to be submitted to OMIG under this CIA shall be submitted using the following protocol or as it may be amended or updated from time to time by OMIG:

1. All information submitted must be in a searchable electronic format.
2. Electronic submissions do not include submission by facsimile. No hard copy or facsimile submissions will be acceptable.
3. All submissions to OMIG must be made via electronic mail sent to cia@omig.ny.gov.
4. The electronic mail (e-mail) subject line should include the Provider's name and appropriate CIA deliverable reference (i.e. Second Annual Report);
5. All electronic submissions containing Personal Health Information (PHI) should be delivered using an OMIG approved secure file transfer service. Attachments delivered via the OMIG approved secure file transfer service must not be individually password protected.
6. The sender shall request and obtain a confirmation of receipt of all electronic mail submissions including confirmation of receipt of any attachments.
7. Unless proof exists to the contrary, all electronic submissions shall be considered received by the party to whom it is addressed as of the date that it is transmitted electronically by the sender.
8. Electronic submissions will be considered by OMIG to be the original record. OMIG will assess and enforce the terms of the CIA based on electronic submissions required by this Appendix.
9. If a CIA submission contains information the Provider considers to be a trade secret, and therefore, pursuant to New York Public Officers Law §87(2)(d), is exempt from public disclosure under the Freedom of Information Law (FOIL); it is the Provider's responsibility to indicate that on each submission. If an electronic submission contains multiple attachments, the FOIL exempt indication must be included as part of each attachment subject to the exemption.

C. The requirements of this Section II of this Appendix may be amended from time to time as indicated below:

1. By OMIG after notification to Provider, but without approval or consent of the Provider for the OMIG addresses indicated in Section II. A. above and the communication methods identified in Section II. B. above; and
2. By Provider after notification to OMIG, but without approval or consent of OMIG for the Provider addresses indicated in Section II. A. above.

D. The Provider and anyone submitting CIA related materials on behalf of the Provider, including, but not limited to the IRO must adhere to the requirements in this Section II. Failure to meet the requirements as outlined in this Appendix will result in a determination by OMIG that the CIA related materials were not received unless and until the CIA related materials are received according to the process outlined in this Appendix.

III. ADMINISTRATIVE REVIEW UNDER SECTION IX.E. OF THE CIA

A. To the extent that Provider seeks an Administrative Review under Section IX E. of the CIA, Provider shall forward its request for an Administrative Review to:

OMIG's Office of Counsel:

Office of Counsel
NYS Office of the Medicaid Inspector General
800 North Pearl Street
Albany, NY 12204
Telephone: 518-408-5803
Electronic Mail Address: Appeals@omig.ny.gov

With a copy of the submission to:

Assistant Medicaid Inspector General/Supervisor Corporate Integrity Unit
Bureau of Compliance
NYS Office of the Medicaid Inspector General
800 North Pearl Street
Albany, NY 12204
Telephone: 518-408-0401
Electronic Mail Address: cia@omig.ny.gov

B. Provider's and Provider's representative's contact information should accompany Provider's communication to OMIG's Office of Counsel.

IV. SAVINGS CLAUSE

Provider specifically delegates to OMIG and OMIG agrees that to the extent that any term of this Appendix conflicts with a term of any other Appendix to the CIA to which they are attached, OMIG in its sole judgment shall determine which term shall take precedence. Such determination by OMIG shall be documented in writing and communicated to the Provider.

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
NEW YORK STATE OFFICE OF THE MEDICAID INSPECTOR GENERAL
AND
RALEX SERVICES, INC. DOING BUSINESS AS
GLEN ISLAND CENTER FOR NURSING AND REHABILITATION

APPENDIX D

PROVIDER REPORTS

I. EFFECT OF APPENDIX

Provider has entered into the CIA with OMIG to which this Appendix is attached. Unless indicated otherwise or agreed to in writing between the parties to the CIA, this Appendix shall continue in full force and effect for the term of the CIA and any period after the termination, suspension or expiration of the CIA unless otherwise noted or the context clearly indicates to the contrary. The terms of this Appendix are incorporated into the CIA, as if this Appendix were fully set forth within the CIA.

II. PROVIDER'S IMPLEMENTATION REPORT OBLIGATION TO OMIG

A. Based upon the timeline established in the CIA at Section V.A., the Provider shall submit to OMIG using such forms, if any, as are directed by OMIG or the terms of the CIA, an Implementation Report that contains the data, information, and reports set forth in this Appendix.

B. Matters to be included in the Implementation Report include, but are not limited to the following:

1. Compliance Officer.
   a. Name, title, address, telephone number and e-mail address of the Provider's Compliance Officer;
   b. Compliance Officer's resume or curriculum vitae;
   c. Compliance Officer's position description and responsibilities;
   d. Compliance Officer's non-compliance related job responsibilities, if any;
   e. Compliance Officer's date of appointment as the compliance officer; and
   f. Copy of the Provider's organization chart showing the Compliance Officer's reporting lines to the governing board and management.

2. Governing Board.
   a. List of the names, addresses, telephone numbers and e-mail addresses of all members of the governing board;

b. List of the governing board members terms and their current governing board committee assignments;
c. List of the governing board's officers and their titles;
d. List of scheduled meetings of the governing board in which a report from the Compliance Officer is expected to be on the agenda and a list of any executive sessions of the governing board where the Compliance Officer is expected to report;
e. Completed OMIG approved Conflict of Interest Statement form for each Governing Board member, together with the written results of analysis done by Provider relative to the disclosures made by the Governing Board members in their Conflict of Interest Statements; and
f. Report on the date(s) of all training for each Governing Board member that is required under the terms of the CIA or any Appendix.
g. Copy of the training materials used to provide Board specific training as required by Appendix B.

3. Management
   a. Current organizational chart showing all management positions and their corresponding areas of responsibility including their duration of service with the Provider;
   b. List of the names, titles, addresses, telephone numbers and e-mail addresses of senior members of the Provider's management team, including identification of the members of management who are responsible for oversight of the Provider's compliance function;
   c. List of the names, titles, addresses, telephone numbers and e-mail addresses of members of the Provider's staff/management compliance committee; and
   d. Completed OMIG approved Conflict of Interest Statement form for each senior member of the Provider's management team, together with the written results of analysis done by Provider relative to the disclosures made by the senior members of the Provider's management team in their Conflict of Interest Statements.

4. Provider's Locations
   a. List all of Provider's physical addresses and mailing addresses, which includes, but is not limited to healthcare delivery sites and administrative office locations;
   b. For each Provider location identify the name(s) under which the Provider does business;
   c. List each Provider location's primary contact telephone number

and telefax number;

d. List each Provider location's New York State Medicaid provider number(s) and Federal Employer Identification Number(s) ("FEIN") that are used to provide and receive payment for New York State Medicaid reimbursable services; and

e. List each Provider location's claims submission contractor, if any, which should include the name, address, contact person's name and telephone number, e-mail address of the contractor(s), and FEIN.

5. Corporate Structure of Provider

a. Describe the Provider's corporate structure, which should include the identification of any corporate parent of Provider, corporate subsidiary of Provider and their respective lines of business;

b. Corporate chart showing relative positions of various corporate structures; and

c. List of any overlapping officers or governing board members within the Provider's corporate structure, including, but not limited to any compliance functions.

6. Provider's Written Policies and Procedures that describe compliance expectations:

a. Copy of all written policies and procedures required by New York State Social Services Law Section 363-d subd. 2 (a), including documentation that demonstrates executive management and governing board approval.

b. The submission should include reference to policies and procedures specific to the Covered Conduct that may be required in Appendix B. Provider Specific Requirements.

7. Compliance Training and Education

a. Copy of the training materials used to provide compliance program training, which shall include, but not be limited to, a description of the training, an outline of the topics covered, dates that training was provided, the length of the sessions, a schedule of training sessions for the coming 12 months, and identification of the constituencies to be addressed by the training program(s);

b. Results of the training provided to include at minimum:

1) a copy of the post-test given in connection to training, identification of what the Provider considers a passing score on the post-test, and description of what action is taken to address testing failures;

2) data reflecting the results of training post-tests which include the average test grade, the number of students who failed the post-test and the number of times the training needed to be repeated in order for the students to achieve a passing score on the post-test, and the number of individuals trained.

c. Number of individuals required to be trained under each compliance program training program of the Provider, the percentage of individuals actually trained and an explanation of the process used to address individuals who did not get the training;

d. Copy of the policy and procedure supporting the obligation for individuals to undergo training related to New York State Social Services Law Section 363-d and 42 USC §1396a(a)(68);

e. List of any contractors used by the Provider to perform any compliance program training, which list should include the name of the contractor, the contact person at the contractor, the contractor's address, telephone number and e-mail address; and

f. With respect to medical staff members, the number and percentage who completed the training, the type of training and the date received and a description of the Provider's efforts to encourage medical staff members to complete the training.

9. Financial Information

a. Copy of Certified Public Accountant Management Letter for the preceding 2 years.

b. Copy of the United States Internal Revenue Service, Form 990 for the preceding 2 years, if applicable. If not applicable, the audited financial statements for the preceding 2 years.

c. Copy of the most recent United States Securities and Exchange Commission, Form 10K, if applicable.

d. Financial feasibility analysis that sets out the Provider's annual budgets for the term of this CIA.

10. Business Affiliations

a. Listing of contractors and affiliates (including, but not limited to any third party billing company) that are involved in the Provider's delivery of Medicaid services or supplies. The list should include the contractor's or provider's:

1) name;

2) address;

3) FEIN;

4) Effective date of the contractual agreement and contract term;
5) description of what the contractor or affiliate does to support the Provider's delivery of Medicaid services or supplies;
6) overlapping ownership or management interest with the Provider; and
7) obligation to have a compliance program as required under New York State Social Services Law §363-d and 18 NYCRR Part 521; and 42 USC §1396a(a)(68).

b. Attestation that Provider's has verified that all contractors and affiliates subject to mandatory compliance program requirements have met their obligations including a description of the methods used in the verification process.

11. Other Matters

a. List of all employees whose salary exceeds $199,000 annually, along with a copy of the worksheets and Disclosure Report filed in accordance with Executive Order 38 (EO38). If and EO38 Waiver Application has been submitted and approved, Provider must supply same.

b. Policy on salary determinations and board approvals associated with salaries. If a compensation study has been completed to support salary determinations, provide copy of most recent study.

III. PROVIDER'S ANNUAL REPORT OBLIGATION TO OMIG

A. The Provider shall submit to OMIG annually a report with respect to the status of and findings in regard Provider's compliance activities during the Year. The Provider's Annual Report shall contain the data, information, and reports set forth in this Appendix. Each Annual Report shall include at a minimum:

1. A detailed status update on all activities required in Appendix B. Provider Specific Requirements that were conducted during the Year.
2. An update of all information required as part of the Implementation Report. Only changes made since the Implementation Report submission need to be reported. The reason for the change should be included in the Annual Report as well as the date associated with any change. If there has been no change, it should be acknowledged in the Annual Report.

3. The dates that periodic reports were made by the Compliance Officer directly to the governing body on the activities of the compliance program. The report should include a copy of board meeting minutes that describe the compliance program activities discussed.
4. Report by the Compliance Officer that he/she has conducted an annual review of all training materials and made updates as appropriate.
5. Board certification that all written policies and procedures that describe compliance expectations have been reviewed and updated as necessary, as required by Section IV.A.1.c of the CIA.
6. A copy of the most current annual Board resolution as required by Section IV. A. 3.f of the CIA.
7. A copy of the Compliance Reporting Program, disclosure log, for the Year as required by Section IV.A.5 of the CIA.
8. A summary of all Overpayments reported during the Year as required by Section IV.D of the CIA, indicating at minimum, the amount of the Overpayment, the reason for the Overpayment, the date reported, and the repayment status.
9. A summary of all Reportable Events reported during the Year as required by Section IV.E of the CIA.
10. Summary of the Provider's payor mix for the reporting period just ended.
11. A copy of Provider's annual Compliance Program Work Plan and an assessment of the prior Year's Compliance Work Plan results.
12. A copy of the Provider's annual Compliance Program Self-Assessment documented on OMIG's Compliance Program Assessment Form, or other OMIG approved form and format.
13. A copy of any amendments to the Provider's original engagement with the IRO during the reporting period.
14. Summary and description of any current and prior engagements and agreements between the Provider and the IRO if different from what was submitted as part of Implementation Report.
15. For Annual Reports, the Provider shall include an analysis of the current reporting period compared to the prior reporting period(s) together with a status of any plans of correction or action taken by the Provider in response to recommendations or deficiencies cited in the previous Annual Report(s).

B. The Provider shall submit the Annual Report to OMIG using such forms as are directed by OMIG or the terms of the CIA.

IV. PROVIDER'S RESPONSE TO IRO REPORTS

A. Provider shall submit to OMIG and to the IRO a written response to all IRO Reports within 10 days of receipt from the IRO. Provider's written response shall include:
   1. A detailed corrective action plan addressing any deficiencies identified by the IRO; and
   2. Comment on any inaccuracies in the IRO's Report with documentation to support the Provider's comment.

V. CERTIFICATIONS

The Implementation Report, each Annual Report, and each of Provider's Response to IRO Reports shall include a certification by the Compliance Officer, the President/Chief Executive Officer, and the sole shareholder of the Provider that:

A. they have reviewed the CIA in its entirety, understand the requirements described within, and maintain a copy of the CIA for reference;

B. to the best of their knowledge after reasonable inquiry, except as otherwise described in the report, Provider is in compliance with and meeting all of the requirements of the CIA, including any Appendix, Attachment or Amendment;

C. they have reviewed the Implementation Report, or the Annual Report, or Provider's Response to IRO Reports and have made reasonable inquiry regarding its content and believe that the information in the report is accurate and truthful; and

D. to the best of their knowledge after reasonable inquiry, the IRO and its review process are independent and objective.

VI. SAVINGS CLAUSE

Provider specifically delegates to OMIG and OMIG agrees that to the extent that any term of this Appendix conflicts with a term of any other Appendix to the CIA to which they are attached, OMIG in its sole judgment shall determine which term shall take precedence. Such determination by OMIG shall be documented in writing and communicated to the Provider.