

CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
THE HAWAII REGION OF KAISER FOUNDATION HEALTH PLAN, INC., THE HAWAII
REGION OF KAISER FOUNDATION HOSPITALS, AND
HAWAII PERMANENTE MEDICAL GROUP, INC.

I. PREAMBLE

The Hawaii Region of Kaiser Foundation Health Plan, Inc. (KFHP-Hawaii), the Hawaii Region of Kaiser Foundation Hospitals (KFH)¹, and Hawaii Permanente Medical Group, Inc. (HPMG) (collectively, Kaiser-Hawaii) hereby enter into this Corporate Integrity Agreement (CIA) with the Office of Inspector General (OIG) of the United States Department of Health and Human Services (HHS) to promote compliance with the statutes, regulations, and written directives of Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) (Federal health care program requirements). Contemporaneously with this CIA, Kaiser-Hawaii is entering into a Settlement Agreement with the United States, and this CIA is incorporated by reference into the Settlement Agreement.

II. TERM AND SCOPE OF THE CIA

A. The period of the compliance obligations assumed by Kaiser-Hawaii under this CIA shall be five (5) years from the effective date of this CIA, unless otherwise specified. The effective date shall be the date on which the final signatory of this CIA executes this CIA (Effective Date). Each one-year period, beginning with the one-year period following the Effective Date, shall be referred to as a "Reporting Period."

B. Sections VII, VIII, IX, X, and XI shall expire no later than 120 days after OIG's receipt of: (1) Kaiser-Hawaii's final annual report; or (2) any additional materials submitted by Kaiser-Hawaii pursuant to OIG's request, whichever is later.

C. The scope of this CIA shall be governed by the following definitions:

¹ This Corporate Integrity Agreement applies only to Kaiser Foundation Health Plan, Inc. operations and Kaiser Foundation Hospitals doing business in Hawaii.

1. "Covered Persons" includes:
 - a. all owners, officers, directors, and employees of Kaiser-Hawaii; and
 - b. all contractors, subcontractors, agents, vendors, and other persons who provide direct patient care items or services on behalf of Kaiser-Hawaii or who perform billing or coding functions on behalf of Kaiser-Hawaii for more than 160 hours per year in a facility that is owned, rented, managed, or leased by Kaiser-Hawaii;
 - c. all physicians employed by, contracted with, or who own shares of HPMG;.
 - d. all physicians with staff privileges at Kaiser-Hawaii; and
 - e. all members of the Kaiser Foundation Hospital's Quality Council and Professional Staff/Hospital Executive Committee.

Notwithstanding the above, this term does not include part-time or per diem employees, contractors, subcontractors, agents, vendors and other persons who are not reasonably expected to work more than 160 hours per year on behalf of Kaiser-Hawaii, except that any such individuals shall become "Covered Persons" at the point when they work more than 160 hours on behalf of Kaiser-Hawaii during the calendar year.

2. "Relevant Covered Persons" includes all Covered Persons involved directly or in a supervisory role in the delivery of patient care items or services on behalf of Kaiser-Hawaii and/or directly or in a supervisory role in the preparation or submission of claims for reimbursement of items or services provided on behalf of Kaiser-Hawaii from any Federal health care program.

III. CORPORATE INTEGRITY OBLIGATIONS

Kaiser-Hawaii shall maintain a Compliance Program that includes the following elements during the term of this CIA:

A. Compliance Officer and Committee

1. **Compliance Officer.** Kaiser-Hawaii shall maintain a Hawaii Regional Compliance Officer. The Hawaii Regional Compliance Officer shall be

responsible for developing and implementing policies, procedures, and practices designed to ensure compliance with the requirements set forth in this CIA and with Federal health care program requirements. The Hawaii Regional Compliance Officer shall be a member of senior management of Kaiser-Hawaii. The Hawaii Regional Compliance Officer shall report directly to the President of KFHP-Hawaii, the President of HPMG, and the Chief Compliance Officer of KFHP and KFH (CCO). The CCO shall report directly to the Boards of Directors and Chief Executive Officer of KFHP and KFH. The Hawaii Regional Compliance Officer shall make periodic (at least quarterly) reports regarding compliance matters directly to the CCO, the President of the KFHP-Hawaii, and the President of HPMG and shall be authorized to report on such matters to the CCO, the President of the KFHP-Hawaii, and the President of HPMG at any time. The Hawaii Regional Compliance Officer is not currently, and shall not be subordinate to, the Vice President/Regional Counsel of Kaiser-Hawaii or the Vice President of Finance of Kaiser-Hawaii. The Hawaii Regional Compliance Officer shall be responsible for monitoring the day-to-day compliance activities engaged in by Kaiser-Hawaii as well as for any reporting obligations created under this CIA.

Kaiser-Hawaii shall report to OIG, in writing, any changes in the identity or position description of the Hawaii Regional Compliance Officer or CCO, or any actions or changes that would affect the Hawaii Regional Compliance Officer's or CCO's ability to perform the duties necessary to meet the obligations in this CIA, within 15 days after such a change.

2. Compliance Committee. Within 90 days after the Effective Date, Kaiser-Hawaii shall appoint a Compliance Committee. The Compliance Committee shall, at a minimum, include the Hawaii Regional Compliance Officer and other members of senior management necessary to meet the requirements of this CIA (e.g., senior executives of relevant departments, such as billing, clinical, human resources, audit, and operations). The Hawaii Regional Compliance Officer shall chair the Compliance Committee and the Committee shall support the Hawaii Regional Compliance Officer in fulfilling his/her responsibilities (e.g., shall assist in the analysis of the organization's risk areas and shall oversee monitoring of internal and external audits and investigations).

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

B. Written Standards

1. Principles of Responsibility. Within 90 days after the Effective Date, Kaiser-Hawaii shall distribute its Principles of Responsibility (POR) to all Covered Persons. Kaiser-Hawaii shall make the promotion of, and adherence to, the POR an

element in evaluating the performance of all employees. The POR or the policies and procedures referenced therein shall, at a minimum, set forth:

- a. Kaiser-Hawaii's commitment to full compliance with all Federal health care program requirements, including its commitment to prepare and submit accurate claims consistent with such requirements;
- b. Kaiser-Hawaii's requirement that all of its Covered Persons shall be expected to comply with all Federal health care program requirements and with Kaiser-Hawaii's own Policies and Procedures as implemented pursuant to this Section (including the requirements of this CIA);
- c. that all of Kaiser-Hawaii's Covered Persons shall be strongly encouraged to report to the Hawaii Regional Compliance Officer or other appropriate individual designated by Kaiser-Hawaii suspected violations of any Federal health care program requirements or of Kaiser-Hawaii's own Policies and Procedures;
- d. the possible consequences to both Kaiser-Hawaii and Covered Persons of failure to comply with Federal health care program requirements and with Kaiser-Hawaii's own Policies and Procedures and the failure to report such noncompliance; and
- e. the right of all individuals to use the Disclosure Process described in Section III.E, and Kaiser-Hawaii's commitment to nonretaliation and to maintain, as appropriate, confidentiality and anonymity with respect to such disclosures.

Within 90 days after the Effective Date, each Covered Person shall certify, in writing, that he or she (1) has received, read, understood, and shall abide by Kaiser-Hawaii's POR and (2) understands that he or she is required to report any suspected compliance or ethics concerns of which he or she becomes aware. New Covered Persons shall receive the POR and shall complete the required certification within 30 days after becoming a Covered Person or within 90 days after the Effective Date, whichever is later.

To the extent that any Covered Persons within the eight months prior to the Effective Date received a copy of the most recent version of the POR (that is, the March 2004 version of the POR) and certified that he or she (1) received, read, understood, and

shall abide by Kaiser-Hawaii's POR and (2) understands that he or she is required to report any suspected compliance or ethics concerns of which he or she becomes aware, such Covered Persons shall not be required to receive another copy of the March 2004 version of the POR or execute another certification except as otherwise provided in Section III.B.

Kaiser-Hawaii shall periodically review the POR to determine if revisions are appropriate and shall make any necessary revisions based on such review. Any revised POR shall be distributed within 30 days after any revisions are finalized. Within 30 days after the distribution of the revised Principles of Responsibility, each Covered Person shall certify, in writing, that he or she (1) has received, read, understood, and shall abide by the revised POR and (2) understands that he or she is required to report any suspected compliance or ethics concerns of which he or she becomes aware.

2. Policies and Procedures. Within 90 days after the Effective Date, Kaiser-Hawaii shall implement written Policies and Procedures, which may include standards, job descriptions, and competencies, regarding the operation of Kaiser-Hawaii's compliance program and its compliance with Federal health care program requirements. At a minimum, the Policies and Procedures shall address:

- a. the subjects relating to the Principles of Responsibility identified in Section III.B.1;
- b. appropriate billing, coding and submission of claims to Federal health care programs; and
- c. applicable licensing and credentialing requirements for all individuals providing health care items or services to Kaiser-Hawaii's patients.

Within 90 days after the Effective Date, the relevant portions of the Policies and Procedures shall be made available to all individuals whose job functions relate to those Policies and Procedures. Appropriate and knowledgeable staff shall be available to explain the Policies and Procedures.

At least annually (and more frequently, if appropriate), Kaiser-Hawaii shall assess and update as necessary the Policies and Procedures. Within 30 days after the effective date of any revisions, the relevant portions of any such revised Policies and Procedures shall be made available to all individuals whose job functions relate to those Policies and Procedures.

C. Training and Education

1. General Training. Within 120 days after the Effective Date, Kaiser-

Hawaii shall provide at least two hours of General Training to each Covered Person. This training, at a minimum, shall explain Kaiser-Hawaii's:

- a. CIA requirements; and
- b. Kaiser-Hawaii's Compliance Program (including the POR and Policies and Procedures as they pertain to general compliance issues).

To the extent that any Covered Persons received at least one hour of General Training on Kaiser-Hawaii's Compliance Program (including the POR and Policies and Procedures as they pertain to general compliance issues) within the eight months prior to the Effective Date, such Covered Persons shall be required to receive only one hour of General Training on Kaiser-Hawaii's CIA requirements within 120 days after the Effective Date.

New Covered Persons shall receive the General Training within 30 days after becoming a Covered Person or within 120 days after the Effective Date, whichever is later. After receiving the initial General Training described above, each Covered Person shall receive at least one hour of General Training annually.

2. Specific Training. Within 120 days after the Effective Date, each Relevant Covered Person shall receive at least 4 hours of Specific Training in addition to the General Training required above. This Specific Training shall include a discussion of the following:

- a. the Federal health care program requirements regarding the accurate coding and submission of claims;
- b. policies, procedures, and other requirements applicable to the documentation of medical records;
- c. the personal obligation of each individual involved in the claims submission process to ensure that such claims are accurate;
- d. applicable reimbursement statutes, regulations, and program requirements and directives;
- e. the legal sanctions for violations of the Federal health care program requirements;
- f. examples of proper and improper claims submission

practices; and

- g. applicable licensing and credentialing requirements for all Relevant Covered Persons providing health care items or services to Kaiser-Hawaii's patients.

New Relevant Covered Persons shall receive this Specific Training within 30 days after the beginning of their employment or becoming Relevant Covered Persons, or within 120 days after the Effective Date, whichever is later. A Kaiser-Hawaii employee who has completed the Specific Training shall review a New Relevant Covered Person's work, to the extent that the work relates to the delivery of patient care items or services and/or the preparation or submission of claims for reimbursement from any Federal health care program, until such time as the new Relevant Covered Person completes his or her Specific Training consistent with categories of work that trigger training in this Section.

After receiving the initial Specific Training described in this Section, each Relevant Covered Person shall receive at least 2 hours of Specific Training annually concerning the subjects identified in Section III.C.2.

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

4. Qualifications of Trainer. Persons providing the training shall be knowledgeable about the subject areas.

5. Update of Training. Kaiser-Hawaii shall annually review the training, and, where appropriate, update the training to reflect changes in Federal health care program requirements, any issues discovered during internal audits or the Independent Review Organization's Claims Review, Unallowable Cost review, and any other relevant information.

6. Computer-based/Video Training. Kaiser-Hawaii may provide the training required under this CIA through appropriate computer-based and video training approaches. If Kaiser-Hawaii chooses to provide computer-based or video training, it shall make available appropriately qualified and knowledgeable staff or trainers to answer questions or provide additional information to the individuals receiving such training.

D. Review Procedures

1. General Description

- a. Engagement of Independent Review Organization. Within 120 days after the Effective Date, Kaiser-Hawaii shall engage an entity (or entities), such as an accounting, auditing, or consulting firm (hereinafter "Independent Review Organization" or "IRO"), to perform reviews to assist Kaiser-Hawaii in assessing and evaluating its billing and coding practices and certain other obligations pursuant to this Agreement and the Settlement Agreement. The applicable requirements relating to the IRO are outlined in Appendix A to this Agreement, which is incorporated by reference.

Each IRO engaged by Kaiser-Hawaii shall have expertise in the billing, coding, reporting, and in the general requirements of the Federal health care program(s) from which Kaiser-Hawaii seeks reimbursement. Each IRO shall assess, along with Kaiser-Hawaii, whether it can perform the IRO review in a professionally independent and/or objective fashion, as appropriate to the nature of the engagement, taking into account any other business relationships or other engagements that may exist.

The IRO's review shall evaluate and analyze Kaiser-Hawaii's professional fee-for-service coding, billing, and claims submission to the Federal health care programs and the reimbursement received (Claims Review), and shall analyze, whether Kaiser-Hawaii sought payment for certain unallowable costs (Unallowable Cost Review).

- b. Frequency of Claims Review. The Claims Review shall be performed annually and shall cover each of the Reporting Periods. The IRO shall perform all components of each annual Claims Review.
- c. Frequency of Unallowable Cost Review. If applicable, the IRO shall perform the Unallowable Cost Review for the first Reporting Period.
- d. Retention of Records. The IRO and Kaiser-Hawaii shall retain and make available to OIG, upon request, all work

papers, supporting documentation, correspondence, and draft reports (those exchanged between the IRO and Kaiser-Hawaii) related to the reviews.

2. Claims Review. The Claims Review shall include a Discovery Sample and, if necessary, a Full Sample. The applicable definitions, procedures, and reporting requirements are outlined in Appendix B to this Agreement, which is incorporated by reference.

- a. Discovery Sample. The IRO shall randomly select and review a sample of 50 Paid Claims submitted by or on behalf of Kaiser-Hawaii (Discovery Sample).

The Paid Claims shall be reviewed based on the supporting documentation available at Kaiser-Hawaii's office or under Kaiser-Hawaii's control and applicable billing and coding regulations and guidance to determine whether the claim was correctly coded, submitted, and reimbursed.

- i. If the Error Rate (as defined in Appendix B) for the Discovery Sample is less than 5%, no additional sampling is required, nor is the Systems Review required. (Note: The guidelines listed above do not imply that this is an acceptable error rate. Accordingly, Kaiser-Hawaii should, as appropriate, further analyze any errors identified in the Discovery Sample. Kaiser-Hawaii recognizes that OIG or other HHS component, in its discretion and as authorized by statute, regulation, or other appropriate authority may also analyze or review Paid Claims included, or errors identified, in the Discovery Sample or any other segment of the universe.)
 - ii. If the Discovery Sample indicates that the Error Rate is 5% or greater, the IRO shall perform a Full Sample and a Systems Review, as described below.
- b. Full Sample. If necessary, as determined by procedures set forth in Section III.D.2.a, the IRO shall perform an additional sample of Paid Claims using commonly accepted sampling methods and in accordance with Appendix B. The Full Sample shall be designed to: (i) estimate the actual Overpayment in the population with a 90% confidence level

and with a maximum relative precision of 25% of the point estimate; and (ii) conform with the Centers for Medicare and Medicaid Services' statistical sampling for overpayment estimation guidelines. The Paid Claims shall be reviewed based on supporting documentation available at Kaiser-Hawaii's office or under Kaiser-Hawaii's control and applicable billing and coding regulations and guidance to determine whether the claim was correctly coded, submitted, and reimbursed. For purposes of calculating the size of the Full Sample, the Discovery Sample may serve as the probe sample, if statistically appropriate. Additionally, Kaiser-Hawaii may use the Items sampled as part of the Discovery Sample, and the corresponding findings for those 50 Items, as part of its Full Sample, if: (i) statistically appropriate and (ii) Kaiser-Hawaii selects the Full Sample Items using the seed number generated by the Discovery Sample. OIG, in its sole discretion, may refer the findings of the Full Sample (and any related workpapers) received from Kaiser-Hawaii to the appropriate Federal health care program payor, including the Medicare contractor (e.g., carrier, fiscal intermediary, or DMERC), for appropriate follow-up by that payor.

- c. Systems Review. If Kaiser-Hawaii's Discovery Sample identifies an Error Rate of 5% or greater, Kaiser-Hawaii's IRO shall also conduct a Systems Review. Specifically, for each claim in the Discovery Sample and Full Sample that resulted in an Overpayment, the IRO shall perform a "walk through" of the system(s) and process(es), that generated the claim to identify any problems or weaknesses that may have resulted in the identified Overpayments. The IRO shall provide its observations and recommendations on suggested improvements to the system(s) and the process(es) that generated the claim.
 - d. Repayment of Identified Overpayments. In accordance with Section III.H.1 of this Agreement, Kaiser-Hawaii shall repay within 30 days any Overpayment(s) identified in the Discovery Sample or the Full Sample (if applicable), regardless of the Error Rate, to the appropriate payor and in accordance with payor refund policies. Kaiser-Hawaii shall make available to OIG any and all documentation that reflects the refund of the Overpayment(s) to the payor.
3. Claims Review Report. The IRO shall prepare a report based

upon the Claims Review performed (Claims Review Report). Information to be included in the Claims Review Report is described in Appendix B.

4. Unallowable Cost Review. The IRO shall conduct a review of Kaiser-Hawaii's compliance with the unallowable cost provisions of the Settlement Agreement. The IRO shall determine whether Kaiser-Hawaii has complied with its obligations not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and its obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from the United States, or any State Medicaid program. This unallowable cost analysis shall include, but not be limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Kaiser-Hawaii or any affiliates. To the extent that such cost reports, cost statements, information reports, or payment requests, even if already settled, have been adjusted to account for the effect of the inclusion of the unallowable costs, the IRO shall determine if such adjustments were proper. In making this determination, the IRO may need to review cost reports and/or financial statements from the year in which the Settlement Agreement was executed, as well as from previous years.

5. Unallowable Cost Review Report. If applicable, the IRO shall prepare a report based upon the Unallowable Cost Review performed. The Unallowable Cost Review Report shall include the IRO's findings and supporting rationale regarding the Unallowable Costs Review and whether Kaiser-Hawaii has complied with its obligation not to charge to, or otherwise seek payment from, Federal or State payors for unallowable costs (as defined in the Settlement Agreement) and its obligation to identify to applicable Federal or State payors any unallowable costs included in payments previously sought from such payor.

6. Validation Review. In the event OIG has reason to believe that: (a) Kaiser-Hawaii's Claims Review or Unallowable Cost Review fails to conform to the requirements of this Agreement; or (b) the IRO's findings or Claims Review results or Unallowable Cost Review results are inaccurate, OIG may, at its sole discretion, conduct its own review to determine whether the Claims Review or Unallowable Cost Review complied with the requirements of the Agreement and/or the findings or Claims Review results or Unallowable Cost Review results are inaccurate (Validation Review). Kaiser-Hawaii shall pay for the reasonable cost of any such review performed by OIG or any of its designated agents. Any Validation Review of Reports submitted as part of Kaiser-Hawaii's final Annual Report must be initiated no later than one year after Kaiser-Hawaii's final submission (as described in Section II) is received by OIG.

Prior to initiating a Validation Review, OIG shall notify Kaiser-Hawaii of its intent to do so and provide a written explanation of why OIG believes such a review is necessary. To resolve any concerns raised by OIG, Kaiser-Hawaii may request a meeting with OIG to: (a) discuss the results of any Claims Review or Unallowable Cost Review

submissions or findings; (b) present any additional information to clarify the results of the Claims Review or Unallowable Cost Review or to correct the inaccuracy of the Claims Review or Unallowable Cost Review; and/or (c) propose alternatives to the proposed Validation Review. Kaiser-Hawaii agrees to provide any additional information as may be requested by OIG under this Section in an expedited manner. OIG will attempt in good faith to resolve any Claims Review or Unallowable Cost Review issues with Kaiser-Hawaii 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 OIG.

7. Independence/Objectivity Certification. The IRO shall include in its report(s) to Kaiser-Hawaii a certification or sworn affidavit that it has evaluated its professional independence and/or objectivity, as appropriate to the nature of the engagement, with regard to the Claims Review or Unallowable Cost Review and that it has concluded that it is, in fact, independent and/or objective.

E. Disclosure Process

Kaiser-Hawaii shall maintain a Disclosure Process that includes a mechanism (e.g., a toll-free compliance telephone line) to enable individuals to disclose, to the Hawaii Regional Compliance Officer or some other person who is not in the disclosing individual's chain of command, any identified issues or questions associated with Kaiser-Hawaii's policies, conduct, practices, or procedures with respect to a Federal health care program believed by the individual to be a potential violation of criminal, civil, or administrative law. Kaiser-Hawaii shall appropriately publicize the existence of the disclosure mechanism (e.g., via periodic distributions to employees or by posting the information in prominent common areas).

The Disclosure Process shall emphasize a nonretribution, nonretaliation policy, and shall include a reporting mechanism for anonymous communications for which appropriate confidentiality shall be maintained. This nonretribution, nonretaliation, anonymous reporting mechanism shall be maintained throughout the term of this CIA. Upon receipt of a disclosure, the Hawaii Regional Compliance Officer (or designee) shall gather all relevant information from the disclosing individual. The Hawaii Regional Compliance Officer (or designee) shall make a preliminary, good faith inquiry into the allegations set forth in every disclosure to ensure that he or she has obtained all of the information necessary to determine whether a further review should be conducted. For any disclosure that is sufficiently specific so that it reasonably: (1) permits a determination of the appropriateness of the alleged improper practice; and (2) provides an opportunity for taking corrective action, Kaiser-Hawaii shall conduct an internal review of the allegations set forth in the disclosure and ensure that proper follow-up is conducted.

The Hawaii Regional Compliance Officer (or designee) shall maintain a disclosure log, which shall include a record and summary of each disclosure received (whether anonymous or not), the status of the respective internal reviews, and any corrective action taken in response to the internal reviews. The disclosure log shall be made available to OIG upon request.

F. Ineligible Persons

1. Definitions. For purposes of this CIA:

- a. an "Ineligible Person" shall include an individual or entity who:
 - i. is currently excluded, debarred, suspended, or otherwise ineligible to participate in the Federal health care programs or in Federal procurement or nonprocurement programs; or
 - ii. has been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.
- b. "Exclusion Lists" include:
 - i. the HHS/OIG List of Excluded Individuals/Entities (available through the Internet at <http://oig.hhs.gov>); and
 - ii. the General Services Administration's List of Parties Excluded from Federal Programs (available through the Internet at <http://epls.arnet.gov>).
- c. "Screened Persons" include all prospective and current owners, officers, directors and employees of Kaiser-Hawaii; all contractors, agents, and vendors of Kaiser-Hawaii; all physicians employed by, contracted with, or who own shares of HPMG; all physicians with staff privileges at Kaiser-Hawaii; and members of the Kaiser-Hawaii's Quality Council and Professional Staff/Hospital Executive Committee.

2. Screening Requirements. Kaiser-Hawaii shall ensure that all

Screened Persons are not Ineligible Persons, by implementing any necessary changes in its screening process to satisfy the following screening requirements:

- a. Kaiser-Hawaii shall screen all Screened Persons against the Exclusion Lists prior to engaging their services and, as part of the hiring or contracting process, shall require such persons to disclose whether they are an Ineligible Person.
- b. Kaiser-Hawaii shall screen all Screened Persons against the Exclusion Lists within 90 days after the Effective Date and on an annual basis thereafter.
- c. Kaiser-Hawaii shall implement a policy requiring all Screened Persons to disclose immediately any debarment, exclusion, suspension, or other event that makes that person an Ineligible Person.

Nothing in this Section affects the responsibility of (or liability for) Kaiser-Hawaii to refrain from billing Federal health care programs for items or services furnished, ordered, or prescribed by an Ineligible Person.

3. Removal Requirement. If Kaiser-Hawaii has actual notice that a Screened Person has become an Ineligible Person, Kaiser-Hawaii shall remove such person from responsibility for, or involvement with, Kaiser-Hawaii's business operations related to the Federal health care programs and shall remove such person from any position for which the person's compensation or the items or services furnished, ordered, or prescribed by the person are paid in whole or part, directly or indirectly, by Federal health care programs or otherwise with Federal funds at least until such time as the person is reinstated into participation in the Federal health care programs.

4. Pending Charges and Proposed Exclusions. If Kaiser-Hawaii has actual notice that a Screened Person is charged with a criminal offense that falls within the ambit of 42 U.S.C. §§ 1320a-7(a), 1320a-7(b)(1)-(3), or is proposed for exclusion during his or her employment, credentialing or contract term or, in the case of a physician who owns shares of HPMG, during the duration of the physician's ownership; in the case of a physician with staff privileges at Kaiser-Hawaii, during the term of the physician's medical staff privileges; and in the case of a member of Kaiser Foundation Hospital's Quality Council and/or Professional Staff/Hospital Executive Committee, during the term of membership, Kaiser-Hawaii shall take all appropriate actions to ensure that the responsibilities of that person have not and shall not adversely affect the quality of care rendered to any beneficiary, patient, or resident, or the accuracy of any claims submitted to any Federal health care program.

G. Notification of Government Investigation or Legal Proceedings

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

In addition, within 15 days after notification, Kaiser-Hawaii shall notify OIG, in writing, of any adverse, final determination regarding quality of care issues made by a Federal, State, or local Government agency or accrediting or certifying agency.

H. Reporting

1. Overpayments

- a. Definition of Overpayments. For purposes of this CIA, an "Overpayment" shall mean the amount of money Kaiser-Hawaii has received in excess of the amount due and payable under any Federal health care program requirements.
- b. Reporting of Overpayments. If, at any time, Kaiser-Hawaii identifies or learns of any Overpayment, Kaiser-Hawaii shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days after identification of the Overpayment and take remedial steps within 60 days after identification (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the underlying problem and the Overpayment from recurring. Also, within 30 days after identification of the Overpayment, Kaiser-Hawaii shall repay the Overpayment to the appropriate payor to the extent such Overpayment has been quantified. If not yet quantified, within 30 days after identification, Kaiser-Hawaii shall notify the payor of its efforts to quantify the Overpayment amount along with a schedule of when such work is expected to be completed. Notification and repayment to the payor shall be done in accordance with the payor's policies, and, for Medicare contractors, shall include the information contained on the Overpayment Refund Form, provided as Appendix C to this

CIA. Notwithstanding the above, notification and repayment of any Overpayment amount that routinely is reconciled or adjusted pursuant to policies and procedures established by the payor should be handled in accordance with such policies and procedures.

2. Reportable Events

- a. Definition of Reportable Event. For purposes of this CIA, a "Reportable Event" means anything that involves:
- i. a substantial Overpayment; or
 - ii. a matter that a reasonable person would consider a probable violation of criminal, civil, or administrative laws applicable to any Federal health care program for which penalties or exclusion may be authorized.

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

- b. Reporting of Reportable Events. If Kaiser-Hawaii determines (after a reasonable opportunity to conduct an appropriate review or investigation of the allegations) through any means that there is a Reportable Event, Kaiser-Hawaii shall notify OIG, in writing, within 30 days after making the determination that the Reportable Event exists. The report to OIG shall include the following information:
- i. If the Reportable Event results in an Overpayment, the report to OIG shall be made at the same time as the notification to the payor required in Section III.H.1, and shall include all of the information on the Overpayment Refund Form, as well as:
 - (A) the payor's name, address, and contact person to whom the Overpayment was sent; and
 - (B) the date of the check and identification number (or electronic transaction number) by which the Overpayment was repaid/refunded;
 - ii. a complete description of the Reportable Event,

including the relevant facts, persons involved, and legal and Federal health care program authorities implicated;

- iii. a description of Kaiser-Hawaii's actions taken to correct the Reportable Event; and
- iv. any further steps Kaiser-Hawaii plans to take to address the Reportable Event and prevent it from recurring.

IV. NEW BUSINESS UNITS OR LOCATIONS

In the event that, after the Effective Date, Kaiser-Hawaii changes locations or sells, closes, purchases, or establishes a new business unit or location in Hawaii related to the furnishing of items or services that may be reimbursed by Federal health care programs, Kaiser-Hawaii shall notify OIG of this fact as soon as possible, but no later than within 30 days after the date of change of location, sale, closure, purchase, or establishment. This notification shall include the address of the new business unit or location, phone number, fax number, Medicare Provider number, provider identification number and/or supplier number, and the corresponding contractor's name and address that has issued each Medicare number. Each new business unit or location shall be subject to all the requirements of this CIA.

V. IMPLEMENTATION AND ANNUAL REPORTS

A. Implementation Report. Within 150 days after the Effective Date, Kaiser-Hawaii shall submit a written report to OIG summarizing the status of its implementation of the requirements of this CIA (Implementation Report). The Implementation Report shall, at a minimum, include:

- 1. the name, address, phone number, and position description of the Hawaii Regional Compliance Officer and CCO required by Section III.A, and a summary of other noncompliance job responsibilities the Hawaii Regional Compliance Officer or CCO may have;
- 2. the names and positions of the members of the Compliance Committee required by Section III.A;
- 3. a copy of the most recent version of Kaiser's Principles of Responsibility required by Section III.B.1;
- 4. a copy of all Policies and Procedures required by Section III.B.2;

5. the number of individuals required to complete the Principles of Responsibility certification required by Section III.B.1, the percentage of individuals who have completed such certification, and an explanation of any exceptions (the documentation supporting this information shall be available to OIG, upon request);

6. the following information regarding each type of training required by Section III.C:

- a. a description of such training, including a summary of the topics covered, the length of sessions and a schedule of training sessions; and
- b. the number of individuals required to be trained, percentage of individuals actually trained, and an explanation of any exceptions.

A copy of all training materials and the documentation supporting this information shall be available to OIG, upon request;

7. a description of the Disclosure Process required by Section III.E;

8. the following information regarding the IRO: (a) identity, address, and phone number; (b) a copy of the engagement letter; (c) a summary and description of any and all current and prior engagements and agreements between Kaiser-Hawaii and the IRO; and (d) the proposed start and completion dates of the Claims Review and Unallowable Cost Review;

9. a certification from the IRO regarding its professional independence and/or objectivity with respect to Kaiser-Hawaii:

10. a description of the process by which Kaiser-Hawaii fulfills the requirements of Section III.F regarding Ineligible Persons;

11. the name, title, and responsibilities of any person who is determined to be an Ineligible Person under Section III.F; the actions taken in response to the screening and removal obligations set forth in Section III.F; and the actions taken to identify, quantify, and repay any overpayments to Federal health care programs relating to items or services furnished, ordered or prescribed by an Ineligible Person;

12. a list of all of Kaiser-Hawaii's locations (including locations and

