

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement ("Agreement") is entered into between the United States of America ("United States"), acting through the United States Department of Justice and on behalf of the Office of Inspector General ("OIG-HHS") of the Department of Health and Human Services ("HHS"); the Illinois Department of Public Aid, acting through the Office of Inspector General ("OIG-IDPA"); the State of Illinois acting through the Office of the Illinois Attorney General ("Illinois"); the Relator, Health Outcome Technologies and DOCTORS HOSPITAL OF HYDE PARK (hereafter referred to as "the Parties"), through their authorized representatives. The United States and Illinois are herein referred to as the "Government."

II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. DOCTORS HOSPITAL OF HYDE PARK is a health care provider, and submitted or caused to be submitted, claims to Medicare and Medicaid, for the inpatient treatment of Medicare and Medicaid beneficiaries.

B. The United States contends that DOCTORS HOSPITAL OF HYDE PARK submitted or caused to be submitted claims for payment to the Medicare Program ("Medicare"), Title XVIII of the Social Security

Act, 42 U.S.C. §§ 1395-1395 ddd(1997); and the Medicaid Program, 42 U.S.C. §§ 1396-1396v (1997).

C. Medicare and Medicaid payments to a hospital for inpatient treatment rendered to a beneficiary generally are based upon the beneficiary's "principal diagnosis," as set forth by the hospital.

D. The Medicare and Medicaid programs rely upon participating hospitals to properly indicate the principal diagnosis through the use of standard diagnosis codes.¹

E. The United States conducted an investigation into inpatient payment claims submitted to Medicare and Medicaid by hospitals with the principal diagnosis code of 482.89 (pneumonia due to "other specified bacteria").

F. The United States and Illinois contend that they have certain civil claims against DOCTORS HOSPITAL OF HYDE PARK. The United States contends that it has certain civil claims under the False Claims Act, 31 U.S.C. §§ 3729-3733, and other federal statutes and/or common law doctrines as more specifically identified in paragraph 5 below, and Illinois contends that it has certain civil claims under the Whistleblower Reward and Protection Act, 740 ILCS 175/3, and other state statutes and/or common law doctrines as more specifically identified in paragraph 5 below, for engaging in the following alleged conduct during the period from January 1993 through June 1997 in that DOCTORS HOSPITAL OF

¹ International Classification of Diseases, 9th Revision, Clinical Modification ("ICD-9-CM").

HYDE PARK submitted or caused to be submitted claims to the Medicare and State of Illinois Medicaid programs with the 482.89 principal diagnosis code that were not supported by the corresponding medical records (hereinafter referred to as the "Covered Conduct"). The United States and/or Illinois alleges that, as a result of these claims, DOCTORS HOSPITAL OF HYDE PARK received payments to which it was not entitled.

G. The United States also contends that it has certain administrative claims against DOCTORS HOSPITAL OF HYDE PARK under the provisions for permissive exclusion from the Medicare, Medicaid and other federal health care programs, 42 U.S.C. § 1320a-7(b), the provisions for civil monetary penalties, 42 U.S.C. § 1320a-7a, for the Covered Conduct.

H. DOCTORS HOSPITAL OF HYDE PARK has provided documents and information to the United States in response to the government's investigation of the Covered Conduct, including patient files for which claims were submitted to the Medicare and State of Illinois Medicaid programs with the principal diagnosis code of 482.89, and DOCTORS HOSPITAL OF HYDE PARK represents that such response has been truthful, accurate, and complete to the best of its knowledge and ability.

I. DOCTORS HOSPITAL OF HYDE PARK does not admit the contentions of the United States as set forth in Paragraphs F and G above.

J. To avoid the delay, uncertainty, inconvenience and expense of protracted litigation of these claims, the Parties reach a full and final settlement as set forth below.

III. TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth below, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. DOCTORS HOSPITAL OF HYDE PARK agrees to pay to the United States \$4,500,000.00 plus interest as described below (the "Settlement Amount") as follows: DOCTORS HYDE PARK agrees to make payments of the Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Northern District of Illinois.

a. DOCTORS HOSPITAL OF HYDE PARK agrees to make a payment to the United States of \$992,150.10 on the date that it executes this settlement agreement (the "First Installment"). This payment will be distributed as follows: \$549,912.36 to the State of Illinois for its share of the Medicaid program, and \$442,237.74 to the United States.

b. Eight months from the date that DOCTORS HOSPITAL OF HYDE PARK executes this settlement agreement, DOCTORS HOSPITAL OF HYDE PARK agrees to pay the United States \$992,150.10 plus interest accrued from the date DOCTORS HOSPITAL OF HYDE PARK executed the settlement agreement (the "Second Installment").

c. Sixteen months from the date that DOCTORS HOSPITAL OF HYDE PARK executes this settlement agreement, DOCTORS HOSPITAL OF HYDE PARK agrees to pay the United States \$992,150.10 plus interest accrued from the date DOCTORS HOSPITAL OF HYDE PARK executed the settlement agreement (the "Third Installment").

d. Twenty-four months from the date that DOCTORS HOSPITAL OF HYDE PARK executes this settlement agreement, DOCTORS

HOSPITAL OF HYDE PARK agrees to pay the United States \$992,150.10 plus interest accrued from the date DOCTORS HOSPITAL OF HYDE PARK executed the settlement agreement (the "Fourth Installment").

- e. Each of the three payments described in paragraphs (b), (c), and (d) shall include interest at the posted Federal Civil Post-Judgment interest rate in effect on the date that the Court enters the Order dismissing DOCTORS HOSPITAL OF HYDE PARK from the lawsuit described in paragraph 20. Interest shall be calculated from the date the representatives of DOCTORS HOSPITAL OF HYDE PARK sign this agreement until the date of each installment payment.
- f. Simultaneous with its execution of this settlement agreement, DOCTORS HOSPITAL OF HYDE PARK agrees to execute a promissory note (the "Note") to pay the United States each of the three installments of \$992,150.10 plus interest. (Exhibit B.) The Note shall be secured by an irrevocable letter of credit from a bank. (Exhibit C).
- g. DOCTORS HOSPITAL OF HYDE PARK has made a payment to Medicare of \$291,251.53 for overpayments it received for billings using the code 482.89; the payments described in paragraphs (a) -(d) above have been adjusted to give DOCTORS HOSPITAL OF HYDE PARK a credit for that payment.
- h. DOCTORS HOSPITAL OF HYDE PARK has made a payment to State of Illinois Department of Public Aid of \$240,148.10 for overpayments it received for billings using the code 482.89; the payments described in paragraphs (a) -(d) above have been adjusted to give DOCTORS HOSPITAL OF HYDE PARK a credit for that payment.

2. DOCTORS HOSPITAL OF HYDE PARK agrees to cooperate fully and in good faith with the United States and/or Illinois in the administrative, civil or criminal investigation or prosecution of any person concerning the Covered Conduct, and concerning similar matters involving other hospitals and others, by providing accurate, truthful, and complete information whenever, wherever, to whomever and in whatever form the United States reasonably may request. Nothing in this Paragraph, however, affects any privilege that might be available to DOCTORS HOSPITAL OF HYDE PARK or any

statutory or regulatory obligation of DOCTORS HOSPITAL OF HYDE PARK, or DOCTORS HOSPITAL OF HYDE PARK's ability to object to the request on the grounds of such privilege or obligation; the United States reserves its right to contest the assertion of any such privilege or obligation by DOCTORS HOSPITAL OF HYDE PARK. DOCTORS HOSPITAL OF HYDE PARK agrees to the following specific representations and undertakings:

a. DOCTORS HOSPITAL OF HYDE PARK will use its best efforts to provide such information, and related documents, within ten (10) working days of receipt of a request. If necessary, DOCTORS HOSPITAL OF HYDE PARK will notify the requesting party of any difficulty in timely complying with any such request, and will advise the requesting party of the additional amount of time estimated to be needed to respond to such request.

b. DOCTORS HOSPITAL OF HYDE PARK understands that it has undertaken an obligation to provide truthful and accurate information and testimony by itself and through its employees. DOCTORS HOSPITAL OF HYDE PARK agrees that it shall take no action which could cause any person to fail to provide such testimony (other than the assertion of a privilege or statutory or regulatory obligation), or could cause any person to believe that the provision of truthful and accurate testimony could adversely affect such person's employment or any contractual relationship.

c. Should it be judged by the United States and/or Illinois that DOCTORS HOSPITAL OF HYDE PARK has failed to cooperate fully or has intentionally given false, misleading, or incomplete

information or testimony, or has otherwise violated any provision of this Agreement, DOCTORS HOSPITAL OF HYDE PARK thereafter shall be subject to prosecution for any criminal violation of which the United States has knowledge, including, but not limited to, perjury, obstruction of justice, and false statements.

3. DOCTORS HOSPITAL OF HYDE PARK has entered into a Corporate Integrity Agreement with HHS, attached as Exhibit A, which is incorporated into this Agreement by reference. DOCTORS HOSPITAL OF HYDE PARK will implement its obligations under the Corporate Integrity Agreement as set forth in the Corporate Integrity Agreement.

4. DOCTORS HOSPITAL OF HYDE PARK releases the United States, Illinois, USHHS, IDPA, U.S. Office of Personal Management, Railroad Retirement Board, and each of their agencies, officers, agents, employees, and contractors and their employees and Relator from any and all claims, causes of action, adjustments, and set-offs of any kind arising out of or pertaining to the Covered Conduct, including the investigation of the Covered Conduct and this Agreement.

5. Subject to the exceptions in Paragraph 7 below, in consideration of the obligations of DOCTORS HOSPITAL OF HYDE PARK set forth in this Agreement, conditioned upon DOCTORS HOSPITAL OF HYDE PARK'S payment in full of the Settlement Amount, and subject to Paragraph 15, below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement):

a. the United States (on behalf of itself, its officers, agents, and its agencies and departments referenced above in

paragraph 4), and Relator agree to release DOCTORS HOSPITAL OF HYDE PARK, its predecessors, successors, assigns, and affiliates from any civil or administrative monetary claims the United States has or may have under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812 or the common law theories of payment by mistake, unjust enrichment, breach of contract and fraud, for the Covered Conduct. No individuals are released by this Agreement.

b. The State of Illinois Department of Public Aid and the Relator agree to release DOCTORS HOSPITAL OF HYDE PARK, its predecessors, successors, assigns, and affiliates from any civil or administrative monetary claims the State of Illinois has or may have under the Whistleblower Reward and Protection Act, 740 ILCS 175/3 and the Civil Remedies Section of the Public Aid Act, 305 Ill. Adm. Code 140.15, or the common law theories of payment by mistake, unjust enrichment, breach of contract and fraud, for the Covered Conduct. No individuals are released by this Agreement.

6. In consideration of the obligations of DOCTORS HOSPITAL OF HYDE PARK set forth in this Agreement, conditioned upon DOCTORS HOSPITAL OF HYDE PARK's payment in full of the Settlement Amount, and subject to the Corporate Integrity Agreement contained in Exhibit A and paragraph 15 below (concerning bankruptcy proceedings commenced within 91 days of the effective date of this Agreement), the OIG-HHS agrees to release and refrain from instituting, directing or maintaining any administrative claim or any action

seeking exclusion from the Medicare, Medicaid or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against DOCTORS HOSPITAL OF HYDE PARK under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law), or 42 U.S.C. § 1320a-7(b) (permissive exclusion), for the Covered Conduct, except as reserved in Exhibit A, and as reserved in this Paragraph. Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which civil claims have been reserved in Paragraph 7, below.

7. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including DOCTORS HOSPITAL OF HYDE PARK) are any and all of the following:

(1) Any civil, criminal or administrative claims arising under Title 26, U.S. Code (Internal Revenue Code);

(2) Any criminal liability and any related administrative action for mandatory exclusion from Medicare, Medicaid, or any other Federal health care programs;

(3) Any liability to the United States and/or Illinois (or their agencies) for any conduct other than the Covered Conduct;

(4) Any claims based upon such obligations as are created by this Agreement;

(5) Any express or implied warranty claims or other claims for defective or deficient products or services, including

quality of goods and services, provided by DOCTORS HOSPITAL OF HYDE PARK;

(6) Any claims based on a failure to actually deliver items or services billed;

(7) Any claims against any individuals, including officers and employees; however, if such individuals are legally entitled to repayment from DOCTORS HOSPITAL OF HYDE PARK, by claim for indemnification, contribution, reimbursement or otherwise as a result of a claim brought by the United States, the releases provided in Paragraphs 5 and 6 above shall apply to such individuals with respect to that claim.

8. DOCTORS HOSPITAL OF HYDE PARK waives and will not assert any defenses it may have in any criminal prosecution or administrative action relating to the Covered Conduct, which defenses may be based in whole or in part on a contention that under the Double Jeopardy or Excessive Fines Clause of the Constitution this settlement agreement would bar a remedy sought in such criminal or administrative action. DOCTORS HOSPITAL OF HYDE PARK agrees that the Settlement Amount is not punitive in purpose or effect. Nothing in this paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue Laws, Title 26 of the United States Code.

9. The Amount that DOCTORS HOSPITAL OF HYDE PARK must pay pursuant to this Agreement by electronic wire transfer pursuant to

Paragraph 1 above, will not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare carrier or intermediary or Medicaid, or any State payer, related to the Covered Conduct; and DOCTORS HOSPITAL OF HYDE PARK agrees not to resubmit to any Medicare carrier or intermediary or Medicaid or any State payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

10. DOCTORS HOSPITAL OF HYDE PARK agrees that all costs (as defined in the Federal Acquisition Regulations ("FAR") § 31.205-47 and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395ddd (1997) and 1396-1396v(1997), and the regulations promulgated thereunder) incurred by or on behalf of DOCTORS HOSPITAL OF HYDE PARK in connection with: (1) the matters covered by this Agreement, (2) the Government's audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement, (3) DOCTORS HOSPITAL OF HYDE PARK's investigation, defense, and corrective actions undertaken in response to the Government's audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees and the obligations undertaken pursuant to the Corporate Integrity Agreement incorporated in this Settlement Agreement), (4) the negotiation of this Agreement, and (5) the payment made pursuant to this Agreement, are unallowable costs on Government contracts and under the Medicare and Medicaid Programs (hereafter, "unallowable costs"). These unallowable costs will be separately

estimated and accounted for by DOCTORS HOSPITAL OF HYDE PARK, and DOCTORS HOSPITAL OF HYDE PARK will not charge such unallowable costs directly or indirectly to any contracts with the United States or any state Medicaid program, or seek payment for such unallowable costs through any cost report, cost statement, information statement or payment request submitted by DOCTORS HOSPITAL OF HYDE PARK or any of its subsidiaries to the Medicare Medicaid programs.

11. DOCTORS HOSPITAL OF HYDE PARK further agrees to undertake a self audit of any coding work performed by Dr. Gerald Farby on behalf of DOCTORS HOSPITAL OF HYDE PARK from January 1, 1993 through September 30, 1998. DOCTORS HOSPITAL OF HYDE PARK will retain a qualified outside auditor, subject to the approval of the United States Attorney for the Northern District of Illinois, which approval shall not be unreasonably withheld, and will report the results of that audit to the OIG-HHS within six months of the effective date of this Agreement. DOCTORS HOSPITAL OF HYDE PARK will bear the costs of this audit and will in no way seek reimbursement through the Medicare or OIG-IDPA for the costs of such audit. Within eight months of the effective date of this Agreement, DOCTORS HOSPITAL OF HYDE PARK will identify to applicable Medicare fiscal intermediaries, carriers and/or contractors, and Medicaid any unallowable costs identified by this audit which were included in payments previously sought from the United States, or any State Medicaid Program, including, but not limited to, payments sought in any cost reports, cost statements,

information reports, or payment requests already submitted by DOCTORS HOSPITAL OF HYDE PARK or any of its subsidiaries, and will request, and agree, that such cost reports, cost statements, information reports or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of those unallowable costs. DOCTORS HOSPITAL OF HYDE PARK agrees that the United States and/or Illinois will be entitled to recoup from DOCTORS HOSPITAL OF HYDE PARK the actual amount of any overpayment as a result of the inclusion of such unallowable costs on previously-submitted cost reports, information reports, cost statements or requests for payment. Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice, and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by DOCTORS HOSPITAL OF HYDE PARK or any of its subsidiaries on the effect of inclusion of the unallowable costs on DOCTORS HOSPITAL OF HYDE PARK or any of its subsidiaries' cost reports, cost statements or information reports. Nothing in this Agreement shall constitute a waiver of any rights or remedies of the United States, including but not limited to its rights and remedies under the False Claims Act, 31 U.S.C. §§ 3729-3733, as to DOCTORS HOSPITAL OF HYDE PARK or Dr. Farby regarding the coding work of Dr. Farby or the unallowable costs described in this Paragraph.

12. This Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any claims against any other person or entity.

13. DOCTORS HOSPITAL OF HYDE PARK agrees that it will not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents or sponsors. DOCTORS HOSPITAL OF HYDE PARK waives any causes of action against these beneficiaries or their parents or sponsors based upon the claims for payment covered by this Agreement.

14. DOCTORS HOSPITAL OF HYDE PARK expressly warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. Section 547(b)(3), and will remain solvent following its payment to the United States hereunder. Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, the Parties (1) have intended that the mutual promises, covenants and obligations set forth herein constitute a contemporaneous exchange for new value given to DOCTORS HOSPITAL OF HYDE PARK, within the meaning of 11 U.S.C. Section 547(c)(1), and (2) have concluded that these mutual promises, covenants and obligations do, in fact, constitute such a contemporaneous exchange.

15. In the event DOCTORS HOSPITAL OF HYDE PARK commences, or a thirty party commences, within 91 days of the effective date of this Agreement, any case, proceeding, or other action (a) under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have any order for relief of DOCTORS HOSPITAL

OF HYDE PARK's debts, or seeking to adjudicate DOCTORS HOSPITAL OF HYDE PARK as bankrupt or insolvent, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for DOCTORS HOSPITAL OF HYDE PARK or for all or any substantial part of DOCTORS HOSPITAL OF HYDE PARK's assets, DOCTORS HOSPITAL OF HYDE PARK agrees as follows:

a. DOCTORS HOSPITAL OF HYDE PARK's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. Section 547, and DOCTORS HOSPITAL OF HYDE PARK will not argue or otherwise take the position in any such case, proceeding or action that: (i) DOCTORS HOSPITAL OF HYDE PARK's obligations under this Agreement may be avoided under 11 U.S.C. Section 547; (ii) DOCTORS HOSPITAL OF HYDE PARK was insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States hereunder; or (iii) the mutual promises, covenants and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to DOCTORS HOSPITAL OF HYDE PARK.

b. In the event that DOCTORS HOSPITAL OF HYDE PARK's obligations hereunder are avoided pursuant to 11 U.S.C. Section 547, the United States and/or Illinois, at their sole option, may rescind the releases in this Agreement, and bring any civil and/or administrative claim, action or proceeding against DOCTORS HOSPITAL OF HYDE PARK for the claims that would otherwise be covered by the releases provided in Paragraphs 5-6, above. If the United States chooses to do so, DOCTORS HOSPITAL OF HYDE PARK agrees that (i)

any such claims, actions or proceedings brought by the United States and/or Illinois (including any proceedings to exclude DOCTORS HOSPITAL OF HYDE PARK from participation in Medicare, Medicaid, or other federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. Section 362(a) as a result of the action, case or proceeding described in the first clause of this Paragraph, and that DOCTORS HOSPITAL OF HYDE PARK will not argue or otherwise contend that the United States' claims, actions or proceedings are subject to an automatic stay; (ii) that DOCTORS HOSPITAL OF HYDE PARK will not plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any such civil or administrative claims, actions or proceeding which are brought by the United States and/or Illinois within 180 calendar days of written notification to DOCTORS HOSPITAL OF HYDE PARK that the releases herein have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on September 30, 1998; and (iii) the United States has a valid claim against DOCTORS HOSPITAL OF HYDE PARK in the amount of \$10,930,013.00 as authorized under the False Claims Act for claims which were submitted during the period of January 1993 through June 1997 plus interest. The United States may pursue its claim, inter alia, in the case, action or proceeding referenced in the first clause of this Paragraph, as well as in any other case, action, or proceeding.

c. DOCTORS HOSPITAL OF HYDE PARK acknowledges that its agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

16. Each party to this Agreement will bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

17. DOCTORS HOSPITAL OF HYDE PARK represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

18. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement will be the United States District Court for the Northern District of Illinois, except that disputes arising under the Corporate Integrity Agreement contained in Exhibit A shall be resolved exclusively under the provisions in the Corporate Integrity agreement.

19. This Agreement, including Exhibit A which is incorporated by reference, constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties, except that only DOCTORS HOSPITAL OF HYDE PARK and OIG-HHS must agree in writing to modification of the Corporate Integrity Agreement contained in Exhibit A.

20. After this Agreement is executed and the Settlement Amount is received by the United States, the United States and Relator will notify the Court that the parties stipulate and

request that DOCTORS HOSPITAL OF HYDE PARK be dismissed with prejudice from the action captioned United States ex rel. Health Outcomes Technologies v. [NAMED DEFENDANTS], Civil Action No. 96-1552 (UNDER SEAL), in the United States District Court for the Eastern District of Pennsylvania.

21. By this Agreement, the Relator and Relator's Counsel will release and will be deemed to release DOCTORS HOSPITAL OF HYDE PARK, from any claim that the Relator, and/or Relator's Counsel may have under 31 U.S.C. § 3730(d) to pay Relator's or Relator's Counsel attorneys' fees, expenses and costs.

22. Conditioned on DOCTORS HOSPITAL OF HYDE PARK's payment in full of the Settlement Amount, Relator shall receive from the United States a payment amounting to \$519,391.54. The United States shall pay relator this amount within a reasonable time after receipt by the United States from DOCTORS HOSPITAL OF HYDE PARK of the Settlement Amount. It is expressly understood and agreed that the United States in no way promises or guarantees nor is liable to relator for the collection or payment of any funds pursuant to this Agreement or the payment of any relator's share payments except as provided herein for funds actually collected and received by the United States. Relator further agrees that its share of the proceeds from this settlement agreement shall be paid to relator over time consistent with paragraph 1 of this Settlement Agreement as follows: after Doctors Hospital of Hyde Park pays the United States the First Installment, relator shall receive the amount of \$102,688.50; after Doctors Hospital of Hyde Park pays the United

States the Second Installment, relator shall receive the amount of \$138,901.01; after Doctors Hospital of Hyde Park pays the United States the Third Installment, relator shall receive the amount of \$138,901.01; and, after Doctors Hospital of Hyde Park pays the United States the Fourth Installment, relator shall receive the amount of \$138,901.01. Relator also agrees that it will be entitled to a share of only those federal proceeds recovered for the Medicare program, and that relator shall not seek to recover or obtain any share of any monies recovered for the Medicaid program.

23. On receipt of the payment described in Paragraph 22 above, Relator will release and will be deemed to have released and forever discharged the United States, its officers, agents, and employees from any liability arising from the filing of the Complaint as against DOCTORS HOSPITAL OF HYDE PARK, including any claim pursuant to 31 U.S.C. § 3730(d) or § 3730(c)(5) to a share of any settlement proceeds received from DOCTORS HOSPITAL OF HYDE PARK or other proceeds received from DOCTORS HOSPITAL OF HYDE PARK as a result of the audit described in Paragraph 11, and in full satisfaction and settlement of claims under this Agreement.


24. The undersigned individuals signing this Agreement on behalf of DOCTORS HOSPITAL OF HYDE PARK and Relator, Health Outcomes Technologies, represent and warrant that they are authorized to execute this Agreement on behalf of those entities. The undersigned United States and State of Illinois signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

25. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same agreement.


26. This Agreement is effective on the date of signature of the last signatory to the Agreement.

THE UNITED STATES OF AMERICA


DATED: 3/23/99

BY: 
DANIEL E. MAY
Assistant United States Attorney
Northern District of Illinois

DATED: 5/10/99

BY: 
MICHAEL F. HERTZ
JOYCE R. BRANDA
JAMIE ANN YAVELBERG
Civil Division
U.S. Department of Justice

DATED: 5/7/99

BY: 
LEWIS MORRIS
Assistant Inspector General
Office of Counsel to the
Inspector General
Office of Inspector General
United States Department of
Health and Human Services

STATE OF ILLINOIS

DATED: 3/25/99

BY: Michael C. Rosenblat
MICHAEL C. ROSENBLAT
Assistant Attorney General
State of Illinois

DATED: 4-14-99

BY: Ann Patla
~~ROBB MILLER~~ Ann Patla
~~Inspector General~~ Director
Illinois Dept. of Public Aid

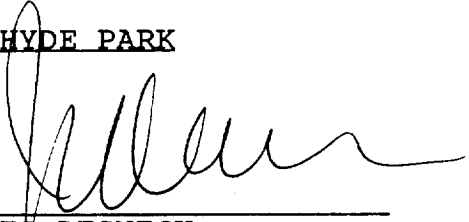
RELATOR HEALTH OUTCOMES TECHNOLOGIES

DATED: 4/23/99

BY: MDIH
DRINKER, BIDDLE & REATH
Attorneys for Relator
Health Outcomes Technologies

DOCTORS HOSPITAL OF HYDE PARK

DATED: 3/18/99

BY: 

JAMES DESNICK,
President
Doctors Hospital of Hyde Park

DATED: 3/18/99

BY: 

JOSEPH SPIEGLER, Counsel for
Doctors Hospital of Hyde Park