SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (Agreement) is entered into among the United States of America, 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)(collectively the "United States"); and the University of Miami (U of M) through their authorized representatives (hereafter referred to as "the Parties").

II. PREAMBLE

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

A. U of M operates a medical school in Miami-Dade County, Florida. The Public Health Trust (the "Trust") operates Jackson Memorial Hospital (JMH). U of M and the Trust have entered into an Affiliation Agreement. Under that Agreement, the U of M faculty are permitted to work as agents of the Trust to supervise and train interns, residents, and fellows in the Trust's residency programs.

B. The Medicare Program (Medicare), which was established by Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh, allows under Part A for the reimbursement for salaries of hospital residents and interns and the teaching activities of the clinical faculty (such as those U of M faculty providing services to the Trust) provided to these residents and interns, and under Part B, for reimbursement of professional services provided directly by the clinical faculty or by residents and interns under the clinical faculty's direct, personal, and identifiable supervision and control.

C. The United States contends that U of M 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. §§ 1395-1395hhh.

D. The United States contends that it has certain civil claims, as specified in Paragraph 2, below, against U of M for engaging in the following conduct:

> 1. During the period from June 1, 1995 through May 31, 1996, (a) the submission of claims by U of M to Medicare for certain services, provided at JMH that U of M represented were personally and identifiably provided by U of M faculty when U of M did not possess sufficient documentary evidence, as required by Medicare, to show with respect to those certain claims that the respective physicians were personally and identifiably involved in the performance of such services, (b) the submission of claims by U of M to Medicare for professional services of U of M faculty in connection with the Residency Program at JMH, which claims were improperly coded at a level of service that was not supported by the documentation of those services, and (c) the submission of claims to Medicare for services provided by U of M faculty for which U of M did not have any, or sufficient, documentation to satisfy the requirements of Medicare.
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> 2 During the period from June 1, 1995 through December 31, 1999, U of M submitted claims for critical care services in situations where patients were not critically ill, where critical care services were not rendered, or where critical care services were insufficiently documented.
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> 3. During the period from June 1, 1996 through December 31, 1999, U of M submitted claims for the following items which were billed in connection with surgeries in circumstances where the services should not have been separately billed:

Procedure Code	Procedure Code Description
13160	Late closure of wound
20660	Apply, remove fixation device
61712	Skull or spine microsurgery
95861	Muscle test, two limbs
95920	Intraop nerve test add-on

(The conduct described in this Paragraph II.D is hereinafter referred to as the "Covered Conduct").

E. This Agreement is neither an admission of liability by U of M nor a concession by the United States that its claims are not well founded.

F. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties reach a full and final settlement pursuant to the Terms and Conditions below.

III. TERMS AND CONDITIONS

1. U of M agrees to pay to the United States $2,270,162 (the "Settlement Amount"). U of M agrees to pay the Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States. U of M agrees to make this electronic funds transfer no later than the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph 4, below, in consideration of the obligations of U of M set forth in this Agreement, conditioned upon U of M's full payment of the Settlement Amount, the United States (on behalf of itself, its officers, agents, agencies, and departments) agrees to release U of M, or any of its current and

former officers, trustees, employees, and agents, from any civil or administrative monetary claim the United States has or may have for the Covered Conduct 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, and fraud.

3. OIG-HHS expressly reserves all rights to institute, direct, or to maintain any administrative action seeking exclusion against U of M, and/or its officers, directors, and employees from Medicare, Medicaid, or other Federal health care programs (as defined in 42 U.S.C. § 1320a- 7b(f)) under 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) (permissive exclusion). Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 4, below.

4. 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 U of M) are the following:

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

b. Any criminal liability;

c. Any administrative liability, including mandatory and permissive exclusion from Federal health care programs;

d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

e. Any liability based upon such obligations as are created by this Agreement; and

f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services.

5. In the event of any criminal prosecution or administrative action relating to the Covered Conduct, U of M waives and shall not assert any defenses U of M may have to 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 Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. 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.

6. U of M fully and finally releases the United States, its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that U of M has asserted, could have

asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, related to the Covered Conduct and the United States' investigation and prosecution thereof.

7. The Settlement Amount shall 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 any state payer, related to the Covered Conduct; and U of M shall not resubmit to any Medicare carrier or intermediary or any state payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

8. U of M agrees to the following:

a. Unallowable Costs Defined: that all costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh and 1396-1396v; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of U of M, its present or former officers, trustees, employees, shareholders, and agents in connection with the following shall be "unallowable costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP):

(1) the matters covered by this Agreement;

(2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;

(3) U of M's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);

(4) the negotiation and performance of this Agreement; and

(5) the payment U of M makes to the United States pursuant to this Agreement, including any costs and attorneys fees.

(All costs described or set forth in this Paragraph 8.a. are hereafter "unallowable costs.")

b. Future Treatment of Unallowable Costs: If applicable, these unallowable costs shall be separately determined and accounted for in nonreimbursable cost centers by U of M, and U of M shall 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 U of M or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: If applicable, U of M further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable Medicare and TRICARE fiscal

intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any unallowable costs (as defined in this Paragraph) 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 U of M or any of its subsidiaries or affiliates, and shall 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 the unallowable costs. U of M agrees that the United States, at a minimum, shall be entitled to recoup from U of M any overpayment plus applicable interest and penalties 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 U of M or any of its subsidiaries or affiliates on the effect of inclusion of unallowable costs (as defined in this Paragraph) on U of M or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine U of M's books and records

to determine that no unallowable costs have been claimed in accordance with the provisions in this Paragraph.

9. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 10, below.

10. U of M waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

11. U of M warrants that it has reviewed its financial situation and that it currently is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following its payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to U of M, within the meaning of 11 U.S.C. § 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity to which U of M was or became

indebted, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

12. Each Party to this Agreement shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

13. U of M represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

14. 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 is the United States District Court for the Southern District of Florida.

15. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

16. The individuals signing this Agreement on behalf of U of M represent and warrant that they are authorized by U of M to execute this Agreement. The United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

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

18. This Agreement is binding on U of M's successors, transferees, heirs, and assigns.

19. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

20. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED:_____ BY: _____
Mark Lavine
Assistant United States Attorney
United States Attorney Office

DATED:_____ BY: _____
Gregory E. Demske
Assistant Inspector General for
Legal Affairs
Office of Counsel to the
Inspector General
Office of Inspector General
United States Department of
Health and Human Services

UNIVERSITY OF MIAMI

DATED:_____ BY: _____
Aileen M. Ugalde
Vice President, General Counsel and Secretary

DATED:_____ BY: _____
Stephen J. Immelt
Attorney for University of Miami

THE UNITED STATES OF AMERICA

DATED:_____ BY: _____
Mark Lavine
Assistant United States Attorney
United States Attorney Office

DATED:_____ BY: _____
Gregory E. Demske
Assistant Inspector General for
Legal Affairs
Office of Counsel to the
Inspector General
Office of Inspector General
United States Department of
Health and Human Services

UNIVERSITY OF MIAMI

DATED:_____ BY:
_____
Aileen M. Ugalde
Vice President, General Counsel and
Secretary

DATED: December 20, 2006 BY:
_____
Stephen J. Immelt
Attorney for University of Miami

THE UNITED STATES OF AMERICA

DATED:_____ BY: _____

Mark Lavine
Assistant United States Attorney
United States Attorney Office

DATED: 12/20/06 BY: _____

Gregory E. Demske
Assistant Inspector General for
Legal Affairs
Office of Counsel to the
Inspector General
Office of Inspector General
United States Department of
Health and Human Services

UNIVERSITY OF MIAMI

DATED:_____ BY: _____

Aileen M. Ugalde
Vice President, General Counsel and Secretary

DATED:_____ BY: _____

Stephen J. Immelt
Attorney for University of Miami

THE UNITED STATES OF AMERICA

DATED: 12/20/06

BY: _____
Mark Lavine
Assistant United States Attorney
United States Attorney Office

DATED:_____

BY: _____
Gregory E. Demske
Assistant Inspector General for
Legal Affairs
Office of Counsel to the
Inspector General
Office of Inspector General
United States Department of
Health and Human Services

UNIVERSITY OF MIAMI

DATED:_____

BY: _____
Aileen M. Ugalde
Vice President, General Counsel and Secretary

DATED:_____

BY: _____
Stephen J. Immelt
Attorney for University of Miami