

## **NOTICE TO VENDORS**

**July 2007**

On January 1, 2007, Bidwell Care Center, LLC, Chelsea Place Care Center, LLC, Chestnut Point Care Center, LLC, Farmington Care Center, LLC, Kettle Brook Care Center, LLC, Meriden Care Center, LLC d/b/a Silver Springs Care Center, Trinity Hill Care Center, LLC, Westside Care Center, LLC, and Wintonbury Care Center, LLC each adopted a "False Claims Education Policy," as required by Section 6032 of the Federal Deficit Reduction Act of 2005 (the "DRA"). Pursuant to the policy, each of the facilities (hereafter, the "Facility") confirmed its commitment to preventing health care fraud and abuse and complying with applicable state and federal laws governing such fraud and abuse. The Facility has established policies and procedures to detect and prevent fraud and abuse as set forth in its Corporate Compliance Policies and Procedures, a copy of which is available at <http://www.icaremanagement.com/vendors>. The Facility does not permit retaliation or discrimination against employees who report fraud or abuse.

All contractors and agents who furnish or authorize the furnishing of health care items or services to the Facility, or perform billing or coding functions for the Facility, or are involved in the monitoring of health care provided by the Facility, within the meaning of the DRA (collectively, "Health Care Vendors"), shall be required to comply with all federal and state law (as may be amended from time to time), as well as the terms of the Facility's Corporate Compliance Policies and Procedures, as a continuing condition of providing goods and services to the Facility. Notwithstanding anything to the contrary contained in any contract or agreement, the Facility shall have the right, without penalty or claim of breach, to immediately terminate any Health Care Vendor for failure to comply with any law or any term of the Facility's Corporate Compliance Policies and Procedures. In the event that any term of any contract or agreement between the Facility and a Health Care Vendor violates any law or any provision of the Facility's Corporate Compliance Policies and Procedures, such provision shall be legally ineffective, and the Health Care Vendor shall not be entitled to receive payment from the Facility for goods or services rendered pursuant to such provision. Each request for payment or acceptance of payment for goods or services shall be deemed to contain a representation that the Health Care Vendor's goods, services, and billing practices are in compliance with all laws and have not been procured by virtue of an illegal kickback, inducement, or referral. The Facility shall have the right to require supporting documentation from any Health Care Vendor and shall have the right to require any Health Care Vendor to provide additional detail and/or itemization on invoices.

In addition, any Health Care Vendor whose right to receive direct or indirect payment under the Medicare or Medicaid programs is placed in jeopardy due to an investigation by any governmental agency shall be required to promptly provide the Facility with written notice of such investigation and to supply all documents evidencing the ongoing status of the proceedings. Failure to provide such timely notice shall be grounds for the Facility to terminate the Health Care Vendor and withhold any payments for which the Facility's reimbursement under the Medicare or Medicaid programs may be in jeopardy. Jeopardy of reimbursement to the Facility may also occur as a result of the failure of any Health Care Vendor to submit a prompt claim for payment or to timely notify the Facility of any alleged delinquent amount that remains outstanding beyond normal payment terms. Accordingly, the Facility may withhold payment to any Health Care Vendor for any claim of delinquency not timely pursued, regardless of the validity of the original claim, to the extent that the staleness of the invoice, statement, or other notice of delinquency results in the delay or denial of reimbursement to the Facility under the Medicare or Medicaid programs.

Effective January 1, 2007, by virtue of Section 6032 of the DRA, all Health Care Vendors are required to educate their employees regarding false claims and "whistleblower" protections. Summaries of specific federal and state laws regarding these protections, as well as the text of Section 6032 the DRA, are available at <http://www.icaremanagement.com/vendors>.

By continuing to provide goods or services after receipt of this notice, all vendors who are Health Care Vendors covered by Section 6032 of the DRA will be deemed to acknowledge all of the above terms and agree to abide by such terms as an ongoing contractual obligation to the Facility. If you have any questions regarding anything contained in this notice, please contact our outside counsel and Corporate Compliance Officer, Jonathan M. Starble, at (860) 678-7775. Thank you.