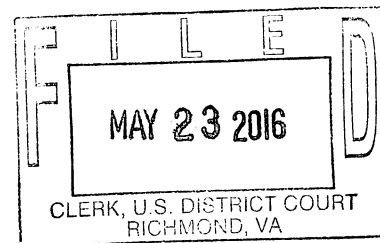


FILED UNDER SEAL PURSUANT TO 31 U.S. Code § 3730(b)

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA**



UNITED STATES OF AMERICA and,)
THE COMMONWEALTH OF VIRGINIA)
ex rel. MATTHEW A. BOLINGER, M.D.)

Plaintiffs,)

v.)

Civil Action
File No. 3:16cv304

CENTRA HEALTH, INC. and BLUE RIDGE)
EAR, NOSE, THROAT AND PLASTIC)
SURGERY, INC.)

JURY TRIAL

Defendant.)

COMPLAINT

Matthew A. Bolinger, M.D. (“Relator”), on behalf of the United States of America and the Commonwealth of Virginia, and by and through his attorneys, alleges as follows:

NATURE OF THE CASE

1. Relator brings this *qui tam* action under the federal False Claims Act, 31 U.S.C. § 3729 *et seq.* and the Virginia Fraud Against Taxpayers Act (“VFATA”), Va. Code Ann. § 8.01-216.1 *et seq.*, to recover money damages and civil penalties arising from false statements and false claims knowingly submitted or caused to be submitted to, respectively, the United States and Virginia governments (collectively referred to as the “Government”) by Centra Health, Inc. (sometimes hereinafter referred to as “Centra”) and Blue Ridge Ear, Nose, Throat and Plastic Surgery, Inc. (sometimes hereinafter referred to as “Blue Ridge ENT”) (Centra and Blue Ridge ENT are sometimes collectively referred to herein as “Defendants”).

2. From July 1, 2008 to June 30, 2009 Centra paid over \$100,000 to Blue Ridge ENT through an improper physician recruitment arrangement in violation of the Physician Self-Referral Law, 42 U.S.C. § 1395nn (the “Stark Law”) and the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b (the “AKS”).
3. Referrals to Centra by Blue Ridge ENT physicians violated the Stark Law, therefore, Centra was not eligible for reimbursement from Medicare or Medicaid for Designated Health Services rendered pursuant to such referrals. Medicare and Medicaid would not have paid Centra had they known about the improper financial relationship between Centra and Blue Ridge ENT.
4. Centra knowingly submitted false claims for Medicare and Medicaid reimbursement for services provided to patients referred by Blue Ridge ENT physicians. Any payments received by Centra pursuant to such illegal referrals were overpayments which should have been returned to the Government.
5. Centra knowingly certified compliance with federal and state healthcare laws in its annual cost reports, claims forms, and enrollment applications, which were filed with DHHS and its agents. As a result of the illegal financial relationship between Centra and Blue Ridge ENT, Centra’s certifications in these documents were false.
6. Under the False Claims Act and the VFATA, Defendants are liable for treble damages and penalties for each claim submitted to Medicare or Medicaid during the period when the improper financial arrangement was in place.

PARTIES, JURISDICTION, AND VENUE

7. Relator is Matthew A. Bolinger, M.D., an otolaryngologist (a physician specializing in the study and treatment of diseases and afflictions of the ear, nose, and throat) who is a

United States citizen and resident of Iowa. Relator has developed knowledge of the facts alleged herein and the damages caused by Defendants' actions. He has standing to pursue this case.

8. Plaintiffs are: (1) the United States of America acting on behalf of the United States Department of Health and Human Services (sometimes hereinafter referred to as "HHS" or "DHHS") which, through the Centers for Medicare and Medicaid Services (sometimes hereinafter referred to as "CMS"), administers and funds the Medicare and Medicaid programs; and (2) the Commonwealth of Virginia, which, through the Department of Medical Assistance Services ("DMAS"), administers the Medicaid program in Virginia. The United States and Virginia are the real party plaintiffs.
9. Defendant Centra is a large non-profit healthcare system, qualified as tax-exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Centra's principal place of business is 1920 Atherholt Road, Lynchburg, Virginia, and its registered agent can be found at 1901 Tate Springs Road, Lynchburg, Virginia. Defendant Centra Health, Inc. consists of Lynchburg General Hospital, Virginia Baptist Hospital, Southside Community Hospital, Bedford Memorial Hospital, Rivermont School and Centra Specialty Hospital, as well as numerous other owned and joint ventured medical groups and ancillary providers. Centra is the dominant healthcare system in Central Virginia, with the nearest non-Centra hospital located approximately fifty (50) miles away. In 2013, Centra Health reported to the IRS that it received over \$300 Million in revenue from Medicare and Medicaid.
10. Defendant Blue Ridge ENT is a for-profit otolaryngology practice that was incorporated on August 19, 1971. Blue Ridge ENT is the largest ENT group in Lynchburg and the

surrounding region. Blue Ridge ENT is domiciled in Virginia and its principal place of business is 2321 Atherholt Road, Lynchburg, Virginia 24501, and it can be served at the same address.

11. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. § 1331 because this is an action arising under the laws of the United States, specifically, the False Claims Act, 31 U.S.C. § 3730(h). This Court has supplemental jurisdiction over the VFATA claim pursuant to 28 U.S.C. § 1367.
12. Venue in this District is proper pursuant to 28 U.S.C. § 1391 and 31 U.S.C. § 3732 because at least one Defendant may be found and transacts business in this District.
13. This Court has personal jurisdiction over Defendants. The facts and circumstances of Defendants' violations alleged herein have not been publicly disclosed in a criminal, civil, or administrative hearing, nor any Congressional, administrative nor General Accounting Office or Auditor General's report, hearing, audit, or investigation, or in the news media.
14. Relator is the original source of information upon which this Complaint is based and he provided disclosure of the allegations of this Complaint to the United States prior to filing.
15. Relator has served on the Commonwealth a copy of the Complaint and written disclosure of substantially all material evidence and information Relator possesses.

STATUTORY FRAMEWORK

A. THE FALSE CLAIMS ACT AND VFATA

16. The False Claims Act and VFATA provide, in pertinent part, that any person who: (A) knowingly presents or causes to be presented a false or fraudulent claim for payment, (B)

knowingly makes uses or causes to be made or used a false record or statement material to a false or fraudulent claim; or (C) conspires to make a false claim, is liable to the United States for a civil penalty between \$5,500 and \$11,000 per claim, plus treble damages to the Government caused by the fraud. 31 U.S.C. § 3729; Va. Code Ann. § 8.01-216.3.

17. A person “knows” a claim, statement or record is false if the person: (1) has actual knowledge of the falsity of the information; (2) acts in deliberate ignorance of the truth or falsity of the information; or (3) acts in reckless disregard of the truth or falsity of the information. 31 U.S.C. § 3729; Va. Code Ann. § 8.01-216.3.
18. Falsely certifying compliance with Medicare and Medicaid laws and regulations in a hospital cost report can serve as the basis of a false claim. *See U.S. ex rel. Drakeford v. Toumey Healthcare System, Inc.*, 675 F. 3d 394 (4th Cir. 2012); *U.S. ex rel. DeCesare v. Americare Home Nursing*, 757 F. Supp. 2d 573 (E.D. Va. 2010).

B. THE STARK LAW AND AKS

19. The Physician Self-Referral Law (the “Stark Law”) and regulations promulgated thereunder prohibit a physician who has a financial relationship (contract or otherwise) with an entity—such as a hospital—from making a referral to that hospital for the furnishing of certain designated health services (“DHS”) for which payment otherwise may be made by the government through the Medicare or Medicaid Programs. 42 U.S.C. § 1395nn(a)(1); 42 C.F.R. § 411.353(a). Except as otherwise provided in the Stark Law and regulations, a financial relationship is defined broadly as any ownership or direct or indirect compensation arrangement. 42 C.F.R. § 411.351. Prohibited referrals for DHS include all referrals for inpatient and outpatient hospital services, clinical laboratory

services, physical, occupational and speech therapy services, radiology services, radiation therapy services and supplies, durable medical equipment and supplies, parenteral and enteral nutrients, equipment and supplies, prosthetics and orthotics devices and supplies, home health services, and outpatient prescription drugs. *Id.* The Stark Law was enacted to address overutilization of services by physicians who stood to profit from referring patients to facilities or entities in which they had a financial interest.

20. A hospital may not submit for payment a claim to Medicare or Medicaid for services rendered pursuant to a prohibited referral. 42 U.S.C. § 1395nn(a)(1)(B); 42 C.F.R. § 411.353(b). The United States and its agents may not make payments pursuant to such a claim, and hospitals must reimburse any payments that are mistakenly made by the United States. 42 U.S.C. § 1395nn(g)(1); 42 C.F.R. § 411.353(c), (d).
21. The Stark Law has an exception for certain recruitment agreements; however, the recruitment agreement must meet all of the applicable requirements of 42 C.F.R. § 411.357(e) (the “Recruitment Exception”).
22. The Recruitment Exception contains two parts: (1) requirements necessary for all recruitment agreements (e.g., that the agreement is set out in writing and not conditioned on referrals or business generated between the parties); and (2) additional safeguards for hospitals seeking to recruit a physician into an existing practice. 42 C.F.R. § 411.357(e)(4). The additional safeguards are necessary to ensure that any recruitment payment that flows from a hospital through an existing group is payment for the benefit of the recruited physician and does not inure to the benefit of the group. 72 F.R. 51048 (9/5/2007) (emphasis added). Because Centra recruited Relator to an existing practice, Centra was required to meet these additional safeguards.

23. Centra failed to meet at least three of the additional safeguards required by the Recruitment Exception. These three additional safeguards state:
 - a. Except for actual costs incurred by the physician practice in recruiting the new physician, the remuneration is passed directly through to or remains with the recruited physician. 42 C.F.R. § 411.357(e)(4)(ii).
 - b. In the case of an income guarantee of any type made by the hospital to a recruited physician who joins a physician practice, the costs allocated by the physician practice to the recruited physician do not exceed the actual additional incremental costs attributable to the recruited physician. 42 C.F.R. § 411.357(e)(4)(iii).
 - c. The arrangement does not violate the AKS. 42 C.F.R. § 411.357(e)(4)(iv).
24. The Recruitment Exception does not permit a hospital to subsidize a practice's costs of recruiting and employing non-physician practitioners (e.g., nurses or physician assistants) and does not permit the shifting of inflated rental payments/overhead costs of the practice to the recruited physician. *See* 72 F.R. 51049, 51053. According to CMS, "[t]hese kinds of subsidy arrangements pose a substantial risk of fraud and abuse." 72 F.R. at 51049.
25. The Anti-Kickback Statute, 42 U.S.C. § 1320a-7b, prohibits the knowing and willful payment or receipt of anything of value, directly or indirectly, in exchange for referrals of federal healthcare program business. 42 U.S.C. § 1320a-7b(b)(1), (2). A claim that includes items or services resulting from a violation of the Anti-Kickback Statute constitutes a false claim under the False Claims Act. 42 U.S.C. § 1320a-7b(g). The AKS is enforced by the Office of Inspector General ("OIG"), an agency of within the DHHS.
26. Defendants conspired to circumvent the Stark Law and AKS by failing to adhere to the terms of the Recruitment Exception.

C. THE MEDICARE PROGRAM

27. Medicare is a program providing health insurance benefits for people who are 65 or older, younger people with disabilities, and people with end-stage renal disease. 42 U.S.C. § 1395c. DHHS is responsible for the administration and supervision of the Medicare program. The Centers for Medicare and Medicaid Services is the agency within DHHS directly responsible for the administration of the Medicare program. CMS contracts with Medicare Administrative Contractors (sometimes hereinafter referred to as “MACs”) to administer and pay Medicare claims. The MAC for Centra’s jurisdiction is Palmetto GBA.
28. At the end of each fiscal year, hospitals must submit a report to the MAC which reconciles payments received with the costs incurred for eligible Medicare and Medicaid services. These reports are known as “cost reports.” 42 U.S.C. § 1395g; 42 C.F.R. § 413.20(b). The cost reports are audited by the MAC and payments to the hospital are either recouped or increased based on the final cost report. The key purpose of the Medicare cost report system is to protect the federal government from loss due to mistake or fraud.
29. As a Medicare provider, Centra was required to, and did, file cost reports with Palmetto GBA for services rendered in 2008 and 2009 as well as all subsequent years.
30. Centra falsely certified, through its duly authorized officers, that the services identified in these cost reports were provided in compliance with healthcare laws and regulations.
31. Centra made the same representations although the relationship with Blue Ridge ENT was tainted *and continues to be tainted* as a result of the improper payments previously made by Centra and retained by Blue Ridge ENT.

32. In 2009 alone, Centra received over \$215 million in Medicare revenue. *Centra Health, Inc. Final Cost Report, Worksheet S-10 (2009); IRS Form 990, Schedule H (2009)*.

D. THE MEDICAID PROGRAM

33. Medicaid is a joint federal and state program authorized under Title XIX of the Social Security Act that provides health and long-term care coverage for those with low incomes. 42 C.F.R. Parts 430-456.
34. In Virginia, Medicaid is administered by the Department of Medical Assistance Services (“DMAS”) and is jointly funded by Virginia and the United States government. Virginia receives a federal matching rate, known as the Federal Medical Assistance Percentage (“FMAP”) which provides approximately \$1 of federal matching funds for every \$1 Virginia spends on Medicaid. Due to the federal funding of the Medicaid program, federal laws and regulations, including the Stark Law and AKS, apply to the Medicaid program and Medicaid payments.
35. Medicaid hospitals are required to sign a provider agreement in order to become a Medicaid provider. The form states: “The provider agrees to comply with all applicable state and federal laws, as well as administrative policies and procedures of VMAP as from time to time amended.” *Virginia DMAS, Medicaid Enrollment Package for Hospitals, (2015)*.
36. In 2009 alone, Centra received over \$94 million in Medicaid revenue. *Centra Health, Inc. Final Cost Report, Worksheet S-10 (2009); IRS Form 990, Schedule H (2009)*.

DEFENDANTS’ CONDUCT

A. THE RECRUITMENT ARRANGEMENT

(i) Background and the Recruitment Structure

37. In June of 2007, Centra and Blue Ridge ENT jointly recruited Relator out of medical school residency to move to Lynchburg and join Blue Ridge ENT.
38. Prior to Relator's recruitment, Blue Ridge ENT's founding member retired, leaving Blue Ridge ENT with three owners, Drs. Courville, Hutchison and Mawn. Relator was recruited to the group to replace the retired Dr. Clark. Relator provided professional services of the same specialty and from the same facility that had housed all physicians for more than two decades.
39. In addition to Relator's recruitment arrangement, Centra and Blue Ridge ENT physician owners were financially related through joint ownership in a surgery center known as the Surgery Center of Lynchburg. Each Blue Ridge ENT physician performed hundreds of procedures annually in the surgery center and in Centra's hospitals prior to, during, and after Relator's arrival.
40. As part of this recruitment arrangement, Defendants and Relator entered into that certain recruitment agreement effective on or about July 1, 2008 in the form attached as Exhibit "A" (sometimes hereinafter referred to as the "Recruitment Agreement").
41. Centra offered Relator a recruitment package with a guaranteed income of \$300,000 (\$250,000 for a guaranteed annual salary and \$50,000 as a sign-on bonus) for the first year of Relator's practice (July 2008 – June 2009) (the "Income Guarantee" or "Deficit Loan"), a moving expense loan and an educational loan. The Recruitment Agreement includes the specifics of the Income Guarantee.
42. The Income Guarantee worked as follows:
 - a. If Relator's Net Cash Receipts for the month were less than his Monthly Guarantee of \$20,833.33, then Centra was required to advance funds to Relator in

an amount equal to the difference between his Net Cash Receipts and Monthly Guarantee.

- b. If Relator's Net Cash Receipts for the month were less than his Incremental Expenses ("Deficit Receipts"), Centra's advance to Relator would be the Monthly Guarantee plus the amount of Relator's Deficit Receipts.
- c. Except as provided above, Centra was not, under federal and state law including AKS and the Stark Law and according to the Recruitment Agreement itself, permitted to advance funds to Blue Ridge ENT. Indeed, if Relator's Net Cash Receipts for the month were greater than the sum of his Incremental Expenses and his Monthly Guarantee, Relator and the Group were required to repay Centra for the amount of the excess.

See Exhibit "A".

43. The Recruitment Agreement defines Incremental Expenses as:

2.2 Incremental Expenses shall be defined as only those actual and additional costs and expenses attributable solely to [Relator's] employment including but not limited to the insurance, licenses and other costs required hereunder and to benefits to be provided to [Relator] as part of his Employment Agreement with the Group so long as such costs and expenses [sic] attributable solely to [Relator's] employment. Fixed expenses that pre-exist the commencement of the Practice, such as rent, etc. are not Incremental Expenses. (emphasis added).

44. Relator began his employment with Blue Ridge ENT on July 1, 2008.

(ii) **Expenses Improperly Attributed to Relator by Defendants**

45. In its initial offer letter to Relator, Centra states that Centra will provide financial support for... “a portion of office overhead expenses.” This offer letter was signed and agreed to by and among Tom Jividen, Senior VP for Centra, and Dr. Courville on behalf of Blue Ridge ENT.
46. Defendants attributed expenses for the following items to Relator as “incremental expenses:” nursing staff and benefits, rent, telephone/answering service, utilities, maintenance, computer maintenance, medical supplies, office supplies, bank card fees, postage, business M&E, practice promotion, collection fees, professional fees, HCI fees, attorney fees, transcription costs, EBS fees, advertising, equipment depreciation and cleaning services.
47. Defendants also attributed certain “direct expenses” to Relator, including malpractice costs, dues and education, professional expenses, travel/recruitment, user licenses, and office remodeling.
48. Several of the expenses attributed to Relator were not actually attributable to him. For example, Defendants attributed salary and benefits for nurse Elsie Peachy even though Nurse Peachy was already an employee of Blue Ridge ENT when Relator was recruited, was not assigned to Relator, did not work with Relator, and was not hired for Relator. Nurse Peachy’s salary and benefits represented a fixed overhead cost of the practice which should not have been attributed to Relator.
49. Defendants also attributed a percentage of the group’s rent to Relator, even though Blue Ridge ENT owned the building in which Relator practiced, and any additions or renovations were for the benefit of the group, and not solely for Relator.

50. Prior to Relator's recruitment, Blue Ridge ENT had four physicians operating out of same office, and the addition of Relator did not require additional space or renovation. Indeed, Blue Ridge ENT had operated out of the same space for more than two decades when Relator was added to the practice in order to fill a vacancy resultant from the retirement of Dr. Clark.
51. Defendants also attributed several items of practice overhead expenses to Relator, which were not solely attributable to him. These costs include, but are not limited to, costs for the practice's phones and answering service (pre-existing costs for the practice); utilities (pre-existing costs for the practice), equipment depreciation (these costs were not attributable to equipment that was added solely for Relator); and a cleaning service (pre-existing cost for the practice).
52. Relator was unaware that these costs were being attributed to him, and was not involved in the process of determining these expenses.
53. Relator was a minority owner of Blue Ridge ENT from July 1, 2008 until June 30, 2011, but the other principals and agents of Blue Ridge ENT repeatedly refused to provide Relator with complete financial information about the operations and finances of Blue Ridge ENT.

(iii) Mid-Recruitment Year, Defendants Added Costs to Obtain Additional Payments from Centra

54. Relator's practice became very successful, very quickly. Relator's Net Cash Receipts exceeded the Monthly Guarantee amount (\$20,833.33) by the second month of his practice.
55. By the fourth month of his practice, Relator's Net Cash Receipts were large enough to exceed both the Monthly Guarantee amount and his Incremental Expenses.

56. By his fifth month of practice, it became clear that Blue Ridge ENT was no longer entitled to funds from Centra under the Income Guarantee contained in the Recruitment Agreement, and in fact, would have to repay large amounts back to Centra.
57. Unbeknownst to Relator, Blue Ridge ENT and Centra agreed to “find more expenses” to attribute to Relator such that Blue Ridge ENT would not have to repay any advances to Centra, and Centra could continue to advance funds to Blue Ridge. Attached hereto as global Exhibit “B” are communications between Mary Sue Ramey and John Litaker showing the discussion of additional expenses and the need to amend the Recruitment Agreement so that Blue Ridge ENT did not have to repay funds previously advanced. Also attached hereto as global Exhibit “C” is an original financial accounting from the practice showing practice expenses attributed to Relator, and then the revised spreadsheet from January 2009 (the “Revised Spreadsheet”). The Final Financial Spreadsheet showing the final costs and expenses Defendants agreed to attribute to Relator is attached hereto as Exhibit “D”.
58. The newly found “expenses” included:
- a. Additional “benefits” costs for Nurse Peachy were attributed to Relator, even though Nurse Peachy was an existing employee of the practice and not assigned to Relator. Nurse Peachy also was not offered additional benefits after Relator’s recruitment.
 - b. Significantly increased costs for rent, utilities and maintenance were attributed to Relator, even though these costs were pre-existing prior to Relator’s joining the practice, and no additional space, utilities or maintenance fees were incurred over the course of the year to justify the increased expense. With respect to rent, Blue

Ridge ENT's physicians owned the building in which Relator practiced, and therefore any "rent" payments subsidized by Centra were ultimately benefiting the physician owners. Increased costs for utilities and maintenance were also inappropriate, as they represented overhead costs of the practice which should not have been attributed to Relator, and no changes occurred during the course of the year to justify the increased costs attributed mid-year to Relator.

- c. Computer maintenance and medical supply costs attributed to Relator were significantly increased, even though these amounts represent overhead costs for the practice and not costs solely attributable to Relator. Moreover, no changes were made to the existing computer maintenance services or medical supplies the practice received to justify the additional costs.
- d. Significantly increased costs for equipment depreciation attributed to Relator. These costs were overhead to the practice and not solely attributable to Relator. These costs should not have been attributed to Relator in the first place, nor should they have increased mid-recruitment year.

59. Relator was not provided additional space, equipment or nursing staff to justify the increased expenses, nor were these costs attributable to the recruitment of Relator. As a result of these "additional costs" and despite the success of Relator's practice, Centra continued to advance funds to Blue Ridge ENT, ultimately paying Blue Ridge ENT \$107,777.86. This total amount was paid by five checks over the course of the year:

- a. \$20,833.33 by check dated 9/11/08;
- b. \$60,833.33 by check dated 9/26/08;
- c. \$6,124.00 by check dated 5/15/09;

d. \$16,146 by check dated 6/25/09; and

e. \$3,841 by check dated 8/17/09.

60. These payments did not correspond to payments required under the Income Guarantee in the Recruitment Agreement, and these modifications to the Recruitment Agreement were not authorized by Relator as required by the Recruitment Agreement's terms.

61. Centra's checks were made payable to Relator but mailed to Blue Ridge ENT. Relator did not endorse any of the checks, despite the checks being made out to Relator. Blue Ridge ENT deposited the checks without Relator's knowledge, violating the Recruitment Agreement.

62. In sum, the amounts Centra paid to Blue Ridge ENT, an existing physician practice and referral source for the hospital, exceeded Relator's actual additional incremental costs in violation of the Income Guarantee in the Recruitment Agreement as well as the Stark and AKS laws.

(vi) Relator's Discovery of the Improper Attribution of Costs

63. During the course of his first year with Blue Ridge ENT, Relator was not provided copies of, or access to, the financial statements exchanged between Centra and Blue Ridge ENT pursuant to the Income Guarantee contained in the Recruitment Agreement. Relator was not informed of the amounts Centra paid to Blue Ridge ENT under the Income Guarantee contained in the Recruitment Agreement.

64. Relator did not have access to the practice's bank accounts.

65. When Relator became a part owner in Blue Ridge ENT in June of 2010, Relator repeatedly requested access to the monthly expense statements under the Recruitment

Agreement or financial information relating to the recruitment period but Blue Ridge ENT refused to provide the information.

66. Relator resigned from Blue Ridge ENT effective June 30, 2011.
67. Upon Relator's resignation, Centra informed Relator that \$80,463.49 had not been forgiven under the Income Guarantee contained in the Recruitment Agreement, and that Centra expected Relator—and Relator alone—to repay this amount to Centra.
68. Relator asked Centra for a full accounting of amounts received by Blue Ridge ENT and all support for such amounts under the Recruitment Agreement. Neither Centra nor Blue Ridge ENT provided Relator with the accounting requested or the supporting information.
69. Relator refused to pay \$80,463.49 to Centra and on or around October 29, 2014, Centra brought suit against Relator to obtain the amounts Centra advanced to Blue Ridge ENT under the Income Guarantee contained in the Recruitment Agreement (hereinafter referred to as the "State Claim"). The State Claim sought damages of \$48,522 (the \$80,463.49 was satisfied in part by Dr. Bolinger's trailing accounts receivable).
70. In discovery, Relator requested, inter alia, documentation to support the amounts sought by Centra. Relator received Centra's first round of production on January 20, 2015. Only then did Relator discover the extent of the inappropriate expenses attributed to Relator in violation of Stark and AKS laws, and this Complaint ensued.
71. Centra admitted that the checks from Centra to Dr. Bolinger were not endorsed by Dr. Bolinger, that Centra advanced funds under the Income Guarantee Agreement based on financials that included "rent," and that Bolinger did not personally provide Centra any financial records of Blue Ridge ENT.

B. DEFENDANTS' CONDUCT VIOLATES THE STARK LAW AND AKS

72. Centra knowingly violated the Stark Law and AKS when it paid Blue Ridge ENT, a referral source, for expenses that were not solely attributable to Relator, and then submitted claims to and received reimbursement from Medicaid and Medicare for referrals tainted with those Stark Law and AKS violations.
73. At least one purpose for Centra's improper payments was to induce referrals of Medicare and Medicaid patients from Blue Ridge ENT and its physicians.
74. Blue Ridge ENT knowingly and willfully accepted payments from Centra, with whom Blue Ridge ENT had a financial relationship, for practice overhead and other costs not solely attributable to Relator. Further, Blue Ridge ENT deposited checks from Centra that were made payable to Relator, without Relator's knowledge or endorsement, and, therefore, Centra's recruitment payments were not paid directly to Relator as required by Stark.
75. Blue Ridge ENT knowingly and willfully requested and accepted the remuneration from Centra in exchange for patient referrals to, inter alia, Centra and its surgical center.
76. During the period of the improper recruitment relationship that continues today, Centra accepted, and continues to accept, referrals of patients covered by Medicare and Medicaid from Blue Ridge ENT and its physicians in violation of the Stark Law and submitted Medicare and Medicaid claims for such patients in violation of law. Attached hereto as Exhibit "E" and made a part hereof is a Financial Analysis showing procedures performed by Relator in Centra-owned hospitals and a Centra-owned joint-venture ambulatory surgery center for the time period during which Relator was under the Recruitment Agreement with Centra and Blue Ridge ENT (July 1, 2008 – June 30, 2009).

For each of these procedures, Centra would have also billed for, and claimed and received reimbursement for designated health services.

77. During the period of Relator's recruitment (July 1, 2008-June 30, 2009), Relator performed hundreds of procedures and referred hundreds of patients to Centra-owned facilities, including Lynchburg General Hospital, Virginia Baptist Hospital and the Lynchburg Surgery Center. Relator's total charges for just the professional component of his services reached \$376,784.87. Each of these procedures would have a corresponding facility fee for which Centra would have billed and received payment. Many of these procedures also would have also involved, inter alia, referrals for labwork and diagnostic imaging among other designated health services.
78. Centra submitted cost reports to the Government or its contractors, and such cost reports contained costs from referrals of patients in violation of the AKS and Stark Laws. Centra, by and through its officers, knowingly certified compliance with the AKS and Stark Laws in its cost reports and received reimbursement from the Government on that basis. Centra's certifications were false.
79. Centra also submitted enrollment applications and claims forms to the Government or its contractors for reimbursement of services provided pursuant to illegal referrals from Blue Ridge ENT. Centra would not have been reimbursed by Medicare or Medicaid for these services if the Government had been informed of the Stark Law and AKS violations.

COUNT I: VIOLATION OF THE FEDERAL FALSE CLAIMS ACT (31 U.S.C. §§ 3729(a)(1)(A) and (B))

80. Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1 - 79 of this Complaint.

81. This is a claim for treble damages and penalties under the federal False Claims Act, 31 U.S.C. §§ 3729-3733, as amended.
82. Centra, by and through its officers, agents, and employees, including John Litaker, knowingly, or acting with deliberate ignorance or reckless disregard of the truth or falsity of the information at issue, presented or caused to be presented, false or fraudulent claims for payment or approval to the federal government or certain third-party recipients of federal money in violation of 31 U.S.C. § 3729(a)(1)(A).
83. Defendant Centra, by and through its officers, agents, and employees, knowingly, or acting with deliberate ignorance or reckless disregard of the truth or falsity of the information at issue, made, used or caused to be made or used records or statements material to a false or fraudulent claim in violation of 31 U.S.C. § 3729(a)(1)(B).
84. Centra failed to disclose in its Medicare and Medicaid reimbursement claims that illegal referrals had occurred or that kickbacks had been paid. The Government is prohibited from paying claims arising from medical services rendered to improperly referred patients. Such claims were therefore false and material to false claims.
85. Centra's cost reports covering periods from 2008 to 2009 included costs for services to patients who were referred by physicians under financial arrangements prohibited by the Stark Law and the AKS. Centra knowingly, or acting with deliberate ignorance or reckless disregard of the truth of the information, certified in each cost report that the services identified in its cost reports were provided in compliance with federal laws, including the Stark Law and AKS. This statement was false, and thus each cost report is a false record or statement.

86. The Government relied on Centra's false certification when it accepted and reimbursed Centra based on the costs included in the cost reports.
87. Defendant Blue Ridge ENT, by and through its officers, agents and employees, including Mary Sue Ramey, knowingly, or acting with deliberate ignorance or reckless disregard of the truth or falsity of the information at issue, presented or caused to be presented, false or fraudulent claims for payment or approval to the federal government or certain third-party recipients of federal money in violation of 31 U.S.C. § 3729(a)(1)(A). The Government would not have paid Blue Ridge ENT for claims which violated the Stark Law and AKS, had it been aware of the fraudulent nature of the claims.
88. Defendant Blue Ridge ENT, by and through its officers, agents, and employees, knowingly, or acting with deliberate ignorance or reckless disregard of the truth or falsity of the information at issue, made, used or caused to be made or used records or statements material to a false or fraudulent claim in violation of 31 U.S.C. § 3729(a)(1)(B).
89. Defendant Centra, by and through its officers, agents, and employees, authorized, encouraged, and ratified the actions of its various officers, agents and employees to take the actions set forth above.
90. As a result of Defendants' acts, Government Health Care Programs including Medicare and Medicaid paid claims for medical treatments that were not covered by those programs or, but for Defendants' submission of the false claims, would not have been paid.

91. Each claim for a service that resulted from a referral from Blue Ridge ENT to Centra or vice-versa is barred by the False Claims Act, even if the services were performed, and even if such services were medically necessary.
92. By reason of Defendants' acts, the United States has been damaged, and continues to be damaged, in substantial amounts to be determined at trial.

COUNT II: CONSPIRACY TO VIOLATE THE FALSE CLAIMS ACT
31 U.S.C. § 3729(C)

93. Relator alleges and incorporates by reference the allegations contained in paragraphs 1 - 92 of this Complaint.
94. Centra, by and through its officers, agents, and employees, conspired with Blue Ridge ENT, by and through its officers, agents and employees to violate 31 U.S.C. § 3729(a)(1)(A) and/or (B) in violation of 31 U.S.C. § 3729(a)(1)(C).
95. Centra and Blue Ridge ENT conspired to violate the False Claims Act when they agreed to shift practice expenses to Relator that were not solely attributable to Relator. Centra and Blue Ridge ENT had actual knowledge of the Stark Law and its prohibition on payments over actual incremental recruitment expenses.
96. In furtherance of such conspiracy, John Litaker, Budget Director for Centra, and Mary Sue Ramey, under the direction of Blue Ridge ENT and its officers, attributed inappropriate practice expenses to Relator that were not incremental expenses solely attributable to Relator. As a result, Blue Ridge ENT and its physicians received money from Centra to which it was not entitled, made referrals to Centra which were prohibited by the Stark Law and AKS, and retained such overpayments in violation of the False Claims Act.

97. Also in furtherance of such conspiracy, Centra paid a total of \$107,777.86 to Blue Ridge ENT.
98. As a result of the conspiracy, Defendants knowingly submitted false claims and presented false statements to the government or its agents/contractors in order to get false claims paid in violation of the False Claims Act. Centra submitted false claims when it submitted billing forms seeking Medicare and Medicaid payment for services provided to illegally referred patients, and when it falsely certified compliance with the AKS and Stark Law in its cost reports in 2008 and 2009. Blue Ridge ENT submitted false claims and received overpayments when it submitted claims for services that constitute prohibited referrals to Centra. These violations have been ongoing since 2008 and continue today.

COUNT III: VIOLATION OF THE VFATA
VA. CODE ANN. § 8.01-216.3

99. Relator alleges and incorporates by reference the allegations contained in paragraphs 1 - 98 of this Complaint.
100. Centra knowingly presented false claims for payment to Medicaid in violation of VA Code Ann § 8.01-216.3(1) when it submitted claims for patients referred by Blue Ridge ENT physicians when such referrals were prohibited by the Stark and AKS law.
101. Centra knowingly made false records and statements in order to get false claims paid by Medicaid in violation of Va. Code Ann. § 8.01-216.3(2). Centra's statement in its enrollment applications that, "[t]he provider agrees to comply with all applicable state and federal laws, as well as administrative policies and procedures of VMAP as from time to time amended," has been violated.

102. Defendants conspired to violate the provisions of VFATA when Centra agreed with Blue Ridge ENT to pay for additional costs not solely attributable to Relator's recruitment in violation of the Stark Law and AKS. Both parties then continued to refer patients and bill the Government for such illegal referrals in violation of the VFATA. These violations continue today.
103. Defendants are therefore liable to the Commonwealth for a civil penalty of not less than \$5,500 and not more than \$11,000, plus three times the amount of damages sustained by the Commonwealth. Va. Code Ann. § 8.01-216.3.

COUNT IV: ILLEGAL RETENTION OF AN OVERPAYMENT
31 U.S.C. §§ 3729(a)(1)(G)

104. Relator alleges and incorporates by reference the allegations contained in paragraphs 1 – 103 of this Complaint.
105. The False Claims Act also establishes civil penalties and treble damages liability to the United States for an individual or entity that: knowingly makes, uses, or causes to be made or used, a false record or statement material to an obligation to pay or transmit money or property to the Government, or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the Government. 31 U.S.C. § 3729(a)(1)(G).
106. An “obligation” under the statute, includes the “retention of an overpayment.” 31 U.S.C. § 3729(b)(3).
107. Section 6402 of the Patient Protection and Affordable Care Act of 2010 amended the Social Security Act by adding a new provision that addresses overpayment under the FCA in the context of a federal health care program. An overpayment is defined as “any funds that a person receives or retains under Title XVIII or XIX (Medicare and Medicaid)

to which the person, after applicable reconciliation, is not entitled.” 42 U.S.C. § 1320A-7k(d)(4)(B). In addition, this provision specifies in relevant part that an overpayment must be reported and returned by the latter of (1) 60 days after the date on which the overpayment was identified; or (2) the date the corresponding cost report is due. 42 U.S.C. § 1320A-7k(d).

108. Failure to return any overpayment, such as each of the claims on which Centra received an overpayment from Medicare and Medicaid, constitutes a false claim actionable under section 3729(a)(1)(G) of the False Claims Act, and the government is therefore entitled to recover three times the amount of each claim and, for each claim or overpayment, a civil penalty of not less than \$5,500 and not more than \$11,000.
109. Relator informed Centra’s counsel regarding the Stark Law violations present in the recruitment arrangement on May 23, 2014. On knowledge and belief, Centra has not repaid the overpayments to the federal government or its contractors, and the deadline established by 42 U.S.C. § 1320A-7k(d) has passed.
110. Centra has therefore knowingly concealed, avoided, or decreased an obligation to pay or transmit money to the United States in violation of the False Claims Act.
111. Such concealment, avoidance or decrease of an obligation to pay or transmit money to the United States was made or done knowingly, as defined in the False Claims Act.

PRAYERS FOR RELIEF

WHEREFORE, Relator, on behalf of the United States and the Commonwealth of Virginia, demands and prays that judgment be entered in his favor against Defendants with the following grant of relief:

(a) Treble the United States damages, to be determined at trial, plus an \$11,000 penalty for each false claim or false statement, as provided by law;

(b) Treble the United States damages, to be determined at trial, plus an \$11,000 penalty for each overpayment retained in violation of the False Claims Act;

(c) That Plaintiff recover its cost of litigation, including its reasonable attorneys' fees;
and

(d) For all such other and further relief as the Court may deem appropriate.

- (a) Treble the United States damages, to be determined at trial, plus an \$11,000 penalty for each false claim or false statement, as provided by law;
- (b) Treble the United States damages, to be determined at trial, plus an \$11,000 penalty for each overpayment retained in violation of the False Claims Act;
- (c) That Plaintiff recover its cost of litigation, including its reasonable attorneys' fees;
and
- (d) For all such other and further relief as the Court may deem appropriate.

JURY DEMAND

Plaintiff demands trial by jury on all issues

Respectfully submitted this 23rd day of May, 2016.



PHILIP M. SPRINKLE II
Virginia Bar No. 20763
BALCH & BINGHAM LLP
30 Ivan Allen Jr. Blvd., N.W., Suite 700
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INCOME GUARANTEE AGREEMENT

THIS INCOME GUARANTEE AGREEMENT (together with all amendments, this "Agreement") is made effective as of the 20th day of July, 2007 between CENTRA HEALTH, INC. ("Centra"), a Virginia Corporation, MATTHEW A. BOLINGER, MD ("Dr. Bolinger"), and BLUE RIDGE EAR NOSE THROAT & PLASTIC SURGERY, INC. ("Group"), a Virginia Corporation.

WITNESSETH THAT:

WHEREAS, Centra and Dr. Bolinger desire to enter into an agreement with each other for the purpose of establishing a continuing relationship as hereinafter provided, and for the purpose of inducing Dr. Bolinger to engage in the practice of medicine in the Lynchburg, Virginia, community which has a documented need for otorhinolaryngology physicians; and

WHEREAS, Centra desires that Dr. Bolinger maintain his full-time medical practice on an ongoing basis, but in no case for less than the full term of this Agreement; and

WHEREAS, Centra desires to further assist Dr. Bolinger in establishing this medical practice by making certain financial loans available to him throughout the term of this Agreement; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, the parties hereto do hereby agree as follows:

1. Physician Obligations

- 1.1 On or before July 5, 2008 (the "Start Date"), Dr. Bolinger shall establish a medical practice ("Practice") as a physician-member of the Group, at the Group's location in Lynchburg, Virginia. Dr. Bolinger shall in good faith and with diligence pursue this Practice full-time throughout the Term of this Agreement.
- 1.2 Dr. Bolinger shall establish, maintain and provide to Centra, prepared in accordance with generally accepted accounting principles, financial statements which provide an accurate reflection of the receipts and expenses of the Practice. These financial statements shall be provided on a monthly basis. At any time during the Term of this Agreement, and at least annually, Centra may require an independent audit of these records to determine their accuracy. All information gathered during this independent audit shall remain confidential to the auditor. Such audit shall be paid for by Centra.
- 1.3 Should Dr. Bolinger fail to comply with his obligations under this Agreement, Centra's obligations hereunder shall be null and void.

2. Centra Obligations

- 2.1 To induce Dr. Bolinger to establish his Practice in Centra's service area, it is

the intent of the parties that the arrangement described in this Agreement assist Dr. Bolinger in achieving an annual income of \$300,000.00 during his first year of Practice ("Guarantee"). To that end, during the Term of this Agreement, Dr. Bolinger is expected to bill and receive gross cash collections ("Cash Receipts") from the Practice. Subject to the below described maximum amounts, Centra agrees to assist Dr. Bolinger with start-up of his Practice by guaranteeing certain advances through a Deficit Loan.

- 2.1.1 Dr. Bolinger shall receive upon the execution of this Agreement by all parties a bridge loan to be evidenced by a Note in the amount of \$50,000.00. At the time he begins his Practice an advance on his Guarantee in the amount of \$50,000.00 shall be paid to him as a lump-sum, and such advance shall be endorsed to Centra and shall be used to pay off the bridge loan.
- 2.1.2 Each month thereafter during the first 12 months of this Agreement, Dr. Bolinger will receive, ~~(after)~~ deducting incremental operating expenses ("Incremental Expenses"), as defined in Paragraph 2.2, from Cash Receipts, a net cash income ("Net Cash Receipts") of no less than \$20,833.33 per month ("Monthly Guarantee").
- 2.2 Incremental Expenses shall be defined as only those actual and additional costs and expenses attributable solely to Dr. Bolinger's employment, including to but not limited to, the insurance, licenses, and other costs required hereunder and to benefits to be provided to Dr. Bolinger as part of his Employment Agreement with the Group so long as such costs and expenses attributable solely to Dr. Bolinger's employment. Fixed expenses that pre-exist the commencement of the Practice, such as rent, etc, are not Incremental Expenses. To the extent that individual Incremental Expenses can be established prior to the Start Date, the parties agree to set out the Incremental Expenses in a separate instrument to be attached to this Agreement as an Exhibit.
- 2.3 Centra's Board of Directors has restricted the amount of Dr. Bolinger's Deficit Loan. Therefore, at no point may the accumulated Deficit Loan exceed \$300,000.00. Once this amount has been reached, no additional Deficit Loan will be made except, however, that Dr. Bolinger may repay and re-borrow on the Deficit Loan throughout his first year of Practice, provided the Board-approved limit is not exceeded.
- 2.4 In addition to the Deficit Loan, Dr. Bolinger may request at any time from the date of this Agreement but before the date that is six months after the Start Date an additional loan ("Support Loan") in an amount not to exceed \$10,000.00. The Support Loan may be used to assist him with the reasonable cost of the following expenses, all of which must be supported by appropriate receipts, invoices, etc.
- 2.4.1 Travel and lodging of Dr. Bolinger and his immediate family from their current residence (not to exceed five days) to the vicinity of his Practice for the purpose of becoming familiar with the residential areas of the Practice for locating a new residence.

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- 2.4.2 Travel and lodging expenses of Dr. Bolinger and his immediate family incurred in moving from their current to their new residence.
- 2.4.3 Normal and usual expenses of moving Dr. Bolinger's household furnishings and personal belongings from his current residence to his new residence, with any unusual household items such as boats, horses, livestock, etc. being subject to prior approval from Centra. Dr. Bolinger is required to obtain a minimum of two quotations with regard to moving expenses specified in this subparagraph.
- 2.4.4 As evidence of funds advanced by Centra under Paragraph 2.4, Dr. Bolinger shall execute a note in the form attached hereto as Exhibit C. Under said note, Dr. Bolinger's liability will be limited to advances received, with accrued interest.
- 2.5 Funds available to meet Centra's obligation to Dr. Bolinger under Paragraphs 2.1 and 2.5 total \$310,000.00. However, neither the principal balance of his Deficit Loan nor the principal balance of his Support Loan may exceed its respective Board-approved limit. Should either balance exceed its approved limit, Centra and Dr. Bolinger will make the necessary exclusions until such time as the loan's approved limit is achieved.
- 2.6 As soon as possible after the end of each of the first 12 months of this Agreement, Dr. Bolinger and the Group shall provide Centra with a Financial Statement showing Cash Receipts and Incremental Expenses of the Practice for the previous month. Upon receipt of such Statement, Dr. Bolinger's Deficit Loan for that month will be determined as follows:
- 2.6.1 If Dr. Bolinger's Net Cash Receipts for the month are less than his Guarantee for that month, Centra shall, within ten (10) days following receipt of his monthly Financial Statement, make an advance on the Deficit Loan to Dr. Bolinger in an amount equal to the difference between his Net Cash Receipts and his Monthly Guarantee.
- 2.6.2 If Dr. Bolinger's Net Cash Receipts for the month are less than his Incremental Expenses ("Deficit Receipts"), Centra's advance on the Deficit Loan to Dr. Bolinger for that month will be the Monthly Guarantee, plus the amount of Dr. Bolinger's Deficit Receipts.
- 2.6.3 If Dr. Bolinger's Net Cash Receipts for the month are greater than the sum of his Incremental Expenses and his Monthly Guarantee for that month, Dr. Bolinger and the Group shall repay Centra, up to the amount of this excess, such Deficit Loan, with accrued interest, for any month(s) during which a Deficit Loan was made to Dr. Bolinger the Group under this Agreement. Reimbursement to Centra will not exceed in aggregate the total amount of the Deficit Loan made to Dr. Bolinger, plus any accrued interest.
- 2.7 On each of the four Practice anniversary dates subsequent to Dr. Bolinger's first anniversary, provided he maintains his Practice as required in Section 1, Centra will forgive to Dr. Bolinger one-fourth (25%) of the aggregate balance

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of the Deficit Loan, including accrued interest.

- 2.8 Interest will accrue to the Deficit Loan at the Wall Street Journal's prime rate in effect at the time the first advance to the Deficit Loan is made. Interest will be computed on the first of each month for the cumulative balance due Centra at the end of the preceding month. Interest will accrue until the Deficit Loan is either paid or forgiven, as the case may be, in full.
- 2.9 As evidence of the Deficit Loan made by Centra, Dr. Bolinger shall execute a credit line note in the form attached hereto as Exhibit A. Prior to Centra making the first advance on the Loan, the Group will execute a Security Agreement in the form of Exhibit B which grants to Centra a security interest in the portion of the Group's accounts receivable attributable to Dr. Bolinger as collateral for all funds advanced under this Agreement. Dr. Bolinger and Group authorize Centra to file the appropriate Financing Statement in the form of Exhibit B with the Virginia Office of the Clerk.
- 2.10 On each Practice anniversary date, provided Dr. Bolinger maintains his Practice as required in Section 1, Centra will forgive one-fourth (25%) of the aggregate balance of the Support Loan, including accrued interest.
- 2.11 For income tax purposes, and in consideration of the value received by Dr. Bolinger, Centra will issue to Dr. Bolinger a Form 1099 at the end of the calendar year during which any forgiveness occurred on the Deficit Loan.
3. **Breach of the Agreement**
- 3.1 **Deficit Loan:** Should Dr. Bolinger fail to maintain his Practice in the community for the full five-year term required to fully forgive the Deficit Loan, or breach this Agreement in any other way, the outstanding balance of the Deficit Loan, including accrued interest, will immediately become due and payable, except that Centra may consider reasonable payment arrangements. Centra shall be entitled to pursue all available remedies at law and Dr. Bolinger agrees to pay the reasonable costs of collection, including reasonable attorneys' fees, or any efforts necessary to collect any sums due hereunder.
- 3.2 **Support Loan:** Should Dr. Bolinger fail to maintain his Practice in the community for the full four-year term required to fully forgive the Support Loan, or breach this Agreement in any other way, the outstanding balance of the Support Loan, including accrued interest, will immediately become due and payable, except that Centra may consider reasonable payment arrangements. Centra shall be entitled to pursue all available remedies at law and Dr. Bolinger agrees to pay the reasonable costs of collection, including reasonable attorneys' fees, or any efforts necessary to collect any sums due hereunder.
4. **Physician Qualifications**
- 4.1 Dr. Bolinger represents and warrants to Centra that he is and will at all times:

- 4.1.1 .At the time of his Start Date, be duly licensed to practice medicine in the Commonwealth of Virginia, and shall maintain such license in good standing throughout the Term of this Agreement;
- 4.1.2 Be a member in good standing of the Active or Provisional Medical Staff of the hospitals of Centra (hereinafter referred to as the "Medical Staff"). If Dr. Bolinger has not attained Active Staff privileges at the time of signing this Agreement, he will, as soon as Bylaws of the Medical Staff permit, obtain and maintain full Active Staff privileges, and shall comply with all provisions of the Medical Staff Bylaws of Centra, as well as any other rules or regulations issued by Centra which govern its Medical Staff activities, including committees for the proper functioning of the Medical Staff, in accordance with the Bylaws of the Medical Staff;
- 4.1.3 Be trained in otorhinolaryngology and either Board eligible or Board certified in that field of practice;
- 4.1.4 Be in possession of any and all required registrations for narcotics and controlled substances; and,
- 4.1.5 Provide and ensure regional emergency and consulting on-call coverage on a rotating basis with other members of the Medical Staff through coverage of the Emergency Department at Lynchburg General Hospital and acceptance of referrals for professional services from physicians in Centra's service area.

4.2 Dr. Bolinger covenants and agrees that at all times during the term of this Agreement he will meet requirements set forth in this Section, and will promptly advise Centra by written notice if, during the term hereof, any representations and warranties set forth above are no longer true and correct, setting forth the particulars in each instance.

5. Insurance

- 5.1 Dr. Bolinger shall provide documentation to Centra that he has at all times during the term of this Agreement professional liability coverage with a generally recognized responsible insurance company qualified to do business in the Commonwealth of Virginia. Such documentation shall be provided by a Certificate of Insurance for Dr. Bolinger that has been signed by a duly authorized representative of the insurance company or companies issuing the policy or policies.
- 5.2 Each Certificate must indicate general and physician's professional liability (malpractice) insurance coverage in amounts of not less than the maximum amount recoverable from a health care provider for any injury to, or death of a patient resulting from malpractice action as specified under Section 8.01-581.15 of the 1950 Code of Virginia, as amended, or any successor statute thereto per occurrence and at least three (3) times that amount as an aggregate limit.

5.3 In event that limitation on recovery in medical malpractice actions in Virginia is increased above the current limit per occurrence, or in event the Board of Directors of Centra shall require the increase of such limit, Dr. Bolinger shall be responsible for increasing the insurance coverage according to the higher limit and shall provide Centra with an amended Certificate of Insurance on or before the effective date of any such legislation or Board action increasing such limit.

6. **Independent Private Practice**

It is understood and agreed that Dr. Bolinger is conducting his private Practice strictly as a private physician and is not an agent or employee of Centra. At all times during the term of this Agreement, Dr. Bolinger shall not hold himself, his partner-physicians, or other physicians, out to patients or the general public as an agent, employee or representative of Centra. Nothing in this Agreement shall be construed as authority for either party to make any commitments that will bind the other party beyond the scope of services contained herein.

7. **Term**

7.1 The Term of this Agreement shall commence on the first day of the month immediately following the last to occur of the following events:

7.1.1 Dr. Bolinger is duly licensed to practice medicine in the Commonwealth of Virginia; or,

7.1.2 Dr. Bolinger has actually commenced his Practice by holding himself out as a practicing physician.

The Term shall continue for a period not to exceed five years, or until such time as Dr. Bolinger's Deficit Loan and Support Loan have both been fully repaid or forgiven, whichever first occurs.

7.2 Dr. Bolinger agrees to use his best efforts to obtain provisional staff privileges on the Medical Staff on or before July 1, 2008. If Dr. Bolinger does not obtain provisional privileges by such date, this Agreement shall terminate and Centra shall have no further obligation to Dr. Bolinger. However, Dr. Bolinger shall be responsible for any and all funds advanced to him under this Agreement, and shall be liable for such damages as may be available to Centra under applicable law.

7.3 The parties agree to use best efforts to establish and set out Incremental Expenses on or before the Start Date in an Exhibit to be attached to this Agreement. The Group and Dr. Bolinger further agree to use best efforts to execute an Employment Agreement in form reasonable acceptable to the parties. If either condition is not satisfied, this Agreement shall terminate at Dr. Bolinger's request, and parties shall have no further obligation hereunder. However, Dr. Bolinger shall be responsible for any and all funds advanced to him under this Agreement, and shall be liable for such damages as may be available to Centra under applicable law.

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8. Professional Conduct

Dr. Bolinger shall adhere faithfully to the Principles of Medical Ethics of the American Medical Association, and, except as shall result from appropriate professional, regulatory, ethical or business actions, shall carefully avoid all personal acts, habits and usages which might injure in any way, directly or indirectly, the reputation of Centra or any employee of Centra, and shall immediately notify Centra of any claim, investigation or inquiry filed with or instituted by a court, regulatory or other governmental body relating to his professional conduct or competence. Dr. Bolinger specifically agrees and covenants that in the event Centra claims that a breach of this Section has occurred, Centra shall so notify Dr. Bolinger of the alleged breach, and that Dr. Bolinger shall have 30 days after notice to cure such breach. If the breach is not cured within 30 days after said notice, Centra may terminate this Agreement without further notice, and without further obligation to Dr. Bolinger's Deficit Loan. Dr. Bolinger shall be responsible for any and all funds advanced to him that have not been either partially or fully forgiven, and shall be liable for such damages as may be available to Centra under applicable law. The following are deemed to be breaches of this Section:

- 8.1 Withdrawal or suspension of Dr. Bolinger's license to practice medicine in the Commonwealth of Virginia,
- 8.2 Withdrawal or suspension of Dr. Bolinger's license to dispense or prescribe narcotic drugs,
- 8.3 Any disciplinary action taken against Dr. Bolinger by the Virginia State Board of Medicine,
- 8.4 Dr. Bolinger being found guilty of professional misconduct by any professional organization having jurisdiction,
- 8.5 Failure of Dr. Bolinger to fully perform his duties set forth in this Agreement,
- 8.6 Dr. Bolinger's bankruptcy, insolvency, the making of an assignment for the benefit of his creditors or the administration of his assets in any kind of creditors' proceedings, voluntary or involuntary,
- 8.7 Dr. Bolinger's conviction of a felony or of an offense involving moral turpitude, and
- 8.8 Failure of Dr. Bolinger to maintain privileges on the Medical Staff that are necessary to fulfill requirements set forth in this Agreement; provided, however, that this Paragraph 8.8 shall not become the basis for termination of this Agreement unless and until all procedures relating to the review, appeal, and/or grievance process of the Medical Staff have been completed and are final.

9. Compliance with Laws, Regulations and Administrative Policies and Procedures

Dr. Bolinger, along with other physician members of the Group (collectively referred to as "Physicians"), shall be governed by and shall adhere to the Bylaws and to the

Rules and Regulations of the Medical Staff. This shall include, but not be limited to a timely preparation and completion of the patient's medical record in accordance with Section 10 of the Rules and Regulations currently in effect, or as may from time to time be amended. The Physicians shall also adhere to any applicable Administrative Policies and Procedures of Centra, to the extent such Policies and Procedures are published and/or provided by Centra to the Physicians, and only to the extent such Policies and Procedures are not in conflict with the ethical, legal, contractual, or other professional obligations or duties of the Physicians, or with the terms of this Agreement. The Physicians agree to provide medical and administrative services at all times in compliance with applicable federal, state and local laws, ordinances and regulations, and with applicable standards of the Joint Commission on the Accreditation of Healthcare Organizations. The Physicians agree to treat all patients without regard to the patient's method of payment or ability to pay. The Physicians further agree and represent that they are not restricted from referring to, generating business for, or establishing staff privileges at any other entity, and agree and acknowledge that they are not required to refer patients, or be in a position to refer patients, to Centra.

10. Payer Participation

Dr. Bolinger and the Group agree that payer participation is needed to ensure accessibility to care for patients, and to ensure such accessibility the Physician and Group agree to participate in all health insurance plans in which Centra is a participant. These shall include, but not be limited to Federal, state and other third-party health insurance and managed care plans that have, or may have in the future, a significant market presence in Central and Southside Virginia.

11. Access to Records

11.1 In Compliance with Section 952 of the Omnibus Reconciliation Act of 1980 (Pub. L. 96-499) enacted December 5, 1980, amended section 1861 (v) (1) of the Social Security Act and relating to Contractual Agreements, the following is agreed upon. If that Act should be found inapplicable to this Agreement, then this clause shall be deemed not to be a part of this Agreement and shall be null and void.

Dr. Bolinger and/or the Group shall make available upon written request of the Secretary of Health and Human Services, or the United States Controller General, or any of their duly authorized representatives, this Agreement, books, documents, and records of Dr. Bolinger and/or the Group (or subcontractor) that are necessary to verify the nature and extent of costs incurred by Centra (or Dr. Bolinger and/or the Group) under this Agreement.

Should Dr. Bolinger carry out the duties of this Agreement through a subcontract worth \$10,000 or more over a 12-month period, the subcontract will also contain the above access clause. Access to all documents noted herein shall be provided until the expiration of four (4) years after services are furnished under such agreement or subcontract.

11.2 The Group shall maintain records of both actual costs and passed through amounts for at least five years from the date of receipt of the last advance

under this Agreement and shall make such records available to the Secretary of health and human Services upon written request.

12. Indemnification

Each party shall hold the other harmless from any and all claims, actions, liabilities and expenses, regardless of the outcome of the claim or action, caused by, resulting from, or alleging negligent or intentional acts or omissions on the part of the other party, and for failure of the other party to perform any obligation undertaken by it or any of its covenants in this Agreement.

13. Notices

All notices required or permitted hereunder shall be in writing and shall be effective when mailed, postage prepaid, via the United States Mail, and addressed as follows:

If to Centra:

Mr. George W. Dawson
President
Centra Health, Inc.
1920 Atherholt Road
Lynchburg, Virginia 24501

If to Physician:

Matthew A. Bolinger, MD
Blue Ridge ENT & Plastic Surgery
2321 Atherholt Road
Lynchburg, Virginia 24501

14. Benefit / Assignment

Subject to provisions herein to the contrary, this Agreement shall inure to the benefit of and be binding upon parties hereto and their legal representatives, successors and assigns; provided, however, that Dr. Bolinger shall not assign all or any portion of its rights or obligations hereunder without the prior written consent of Centra.

15. Severability

In the event any portion of this Agreement is held to be invalid, illegal or unenforceable for any reason and in any respect, such invalidity, illegality or unenforceability thereof shall not affect the remainder of this Agreement, which shall be in full force and effect, enforceable in accordance with its terms.

16. Amendments

This Agreement may be amended from time to time by the mutual agreement of both parties, provided that before any amendment shall be operative or valid it shall be reduced to writing and signed by the parties hereto.

17. Consent to Jurisdiction and Venue

Dr. Bolinger hereby irrevocably consents and agrees to the exclusive jurisdiction of the Virginia state court sitting in the City of Lynchburg, Virginia, for the purpose of any litigation, special proceeding or other proceeding between Centra and Dr. Bolinger that may be brought, or arise out of, in connection with, or by reason of, this Agreement. It is further agreed that venue for any such action shall lie exclusively

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with courts sitting in the City of Lynchburg, Virginia, unless Centra agrees to the contrary in writing.

18. Gender, Number

When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural, and vice versa, and words in the masculine gender shall include the feminine and neuter genders and vice versa.

19. Changes in Law or Ethics Rules

If, when, and only to the extent that any provision of this Agreement shall violate any valid present or future federal or state laws or regulations, such laws or regulations shall override such provision; but upon the request of any party to this Agreement, the parties shall cooperate with each other in requesting administrative relief, if available, or in renegotiating such provision so as to comply with such laws or regulations while adhering as closely as possible to the intent of this Agreement. In the event that there shall be any changes in corporation laws or the canons of ethics that impinge upon this Agreement, the parties shall cooperate in renegotiating this Agreement, if appropriate, to take such changes into account.

20. No Waiver

No waiver of a breach of any provision in this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision of this Agreement shall be construed to be a waiver of such breach.

21. Confidentiality

Neither Dr. Bolinger or the Group nor Centra shall at any time or in any manner, either directly or indirectly, divulge, disclose or communicate to any person, firm or corporation, in any manner whatsoever, any of the information or terms contained in this Agreement, except such information or terms as may be disclosed to either party's respective counsel or accountants which counsel or accountants shall be bound by this same proscription. Dr. Bolinger may communicate terms of this Agreement to officers of the corporate employer employing Dr. Bolinger in the Practice. This Section shall not apply where the reporting of information or terms contained in this Agreement is required by state or federal law or subject to court order or to subpoena.

22. Consents, Approvals and Discretion

Except as herein expressly provided to the contrary, whenever in this Agreement any consent or approval is required to be given by either party or either party must or may exercise discretion, the parties agree that such consent or approval shall not be unreasonably withheld or delayed and such discretion shall be reasonably exercised.

23. **Legal Fees and Costs**

In the event that either party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such party shall be entitled.

24. **Divisions and Headings**

The divisions of this Agreement into sections and the use of captions and headings in connection therewith are solely for convenience and shall have no legal effect in construing the provisions of this Agreement.

25. **Entire Agreement**

This Agreement contains the entire understanding between the parties and supersedes any prior written or oral agreements between them regarding the subject matter of this Agreement. There are no representations, agreements or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement that are not fully expressed herein, except for that certain letter dated as of June 13, 2007 from Centra to Timothy Courville, MD of the Group for some additional clarification.

26. **Group Signature and Representation**

Blue Ridge Ear Nose Throat & Plastic Surgery, Inc., the Group that employs Dr. Bolinger in the practice, executes this Agreement for the purpose of agreeing to the terms hereof and Centra's access to the Group's financial information required under Paragraph 1.2, and for the purpose of agreeing to the Group's execution of the Note, the Security Agreement, and the Financing Statement described herein. The Group represents and warrants that their Employment Agreement with Dr. Bolinger will not contain any restrictive covenants that would prevent Dr. Bolinger from practicing in Centra's service area in the event that Dr. Bolinger's employment with the Group terminates for any reason, nor will the Group seek to add such restrictive covenants in the future.

27. **Death or Disability of Dr. Bolinger**

Due to applicable Internal Revenue Service regulation concerning nonprofit entities, should Dr. Bolinger decease during the term of this Agreement, or become disabled an unable to continue his Practice, advances under this Agreement that have not then been forgiven to either Dr. Bolinger and/or the Group must be repaid to Centra. Dr. Bolinger may consider putting in place a term life and/or disability insurance policy that would cover such a circumstance.

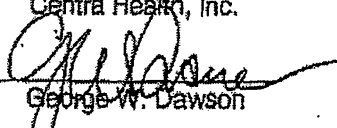
[Remainder of Page Intentionally Left Blank, Signature Page Follows.]

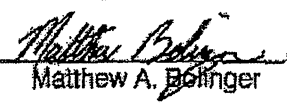
08/22/2008 13:30 4348472941


BLUE RIDGE ENT PS

PAGE 13

IN WITNESS WHEREOF, the parties have executed this Agreement in Lynchburg, Virginia, as of the date hereinabove provided.

Centra Health, Inc.
By: 
George W. Dawson
Title: President
Date: 07/25/07

Physician
By:  MD
Matthew A. Bolinger
Date: 7/27/07

Blue Ridge Ear Nose Throat
& Plastic Surgery, Inc.
By:  MD
Timothy Counville
Title: President
Date: 7/30/08

Note dated August 1, 2007
PAID IN FULL
John M. Saul
07/23/08

NOTE

Lynchburg, Virginia

August 1, 2007

\$50,000.00

The undersigned, MATTHEW A. BOLINGER, promises to pay to the order of CENTRA HEALTH, INC., without offset, at 1920 Atherholt Road, Lynchburg, Virginia 24521, FIFTY THOUSAND DOLLARS, (\$50,000.00) without interest until July 6, 2008, and with interest thereafter at 12% per annum until paid. This Note shall be due and payable in full on July 6, 2008.

All parties to this Note waive presentment, demand, protest, notice of dishonor and extension of time, without notice, and waive the benefit of all homestead and all other exemptions, as to this debt, and agree to pay all the costs and expenses incurred in collecting the same, including reasonable attorney's fees in case this Note shall not be paid at maturity.

EACH MAKER, ENDORSER, GUARANTOR AND ANY OTHER PARTY TO THIS NOTE HEREBY CONSTITUTES KEVIN L. CASH OR ERIC J. SORENSON, JR. HIS ATTORNEY(S)-IN-FACT, AND IN CASE OF DEFAULT AUTHORIZES ANY ONE OF THEM TO CONFESS JUDGMENT AGAINST HIM IN FAVOR OF THE HOLDER HEREOF IN THE CLERK'S OFFICE OF THE CIRCUIT COURT FOR THE CITY OF LYNCHBURG, VIRGINIA, OR IN ANY COURT OF RECORD IN THE UNITED STATES (WHERE PERMITTED BY LAW), FOR AN AMOUNT EQUAL TO THE UNPAID BALANCE OF THIS NOTE AND ALL ACCRUED INTEREST THEREON, TOGETHER WITH ALL COSTS, EXPENSES AND FEES HEREIN PROVIDED.

IMPORTANT NOTICE - THIS INSTRUMENT CONTAINS A CONFESSION OF JUDGMENT PROVISION WHICH CONSTITUTES A WAIVER OF IMPORTANT RIGHTS YOU MAY HAVE AS A DEBTOR AND ALLOWS THE CREDITOR TO OBTAIN A JUDGMENT AGAINST YOU WITHOUT ANY FURTHER NOTICE.

MAKER HEREBY IRREVOCABLY CONSENTS AND AGREES TO THE EXCLUSIVE JURISDICTION OF THE CIRCUIT COURT FOR THE CITY OF LYNCHBURG, VIRGINIA, FOR THE PURPOSE OF ANY LITIGATION, SPECIAL PROCEEDING OR OTHER PROCEEDING BETWEEN CENTRA AND MAKER THAT MAY BE BROUGHT, OR ARISE OUT OF, IN CONNECTION WITH, OR BY REASON OF, THIS NOTE. MAKER FURTHER AGREES THAT VENUE FOR ANY SUCH ACTION SHALL LIE EXCLUSIVELY WITH COURTS SITTING IN THE CITY OF LYNCHBURG, VIRGINIA.

Matthew Bolinger (SEAL)
Matthew A. Bolinger, Maker

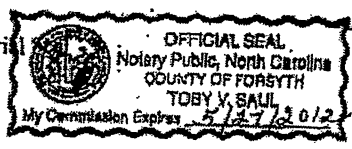
State of North Carolina)
CITY/COUNTY OF Forsyth)

To-Wit:

I, Toby V. Saul, a Notary Public for the State of North Carolina hereby certify that Matthew A. Bolinger, whose name is signed to the foregoing instrument, dated August 1, 2007, has acknowledged the same before me.

Given under my hand this 3RD day of August, 2007.
My commission expires: 5/27/2012

Affix Notary



Toby V. Saul
Notary Public

CENTRA 00028

-----Original Message-----

From: Mark Coleman [mailto:markecoleman@hotmail.com]
Sent: Friday, April 03, 2009 8:48 AM
To: 'Mary Sue Ramey'; 'Joe Phillips'; 'Tim Courville, MD'
Subject: FW: (send unsecure) Dr. Bolinger

Mary Sue,

I'm really confused now. When we discussed this you said John told you to find more expenses so you wouldn't have to pay any money back? We made the changes you wanted but now he is questioning them. Not sure where to go from here.

I'll talk to John and let him know that HCI did not include Bolinger's benefit expenses in the original or subsequent reports, insurance or malpractice company invoices showing these expenses should be sufficient to prove the numbers. I think most of the other increases/changes were added by you, so let us know if you need help determining which invoices/statements (and from which months) you'll need for his documentation.

Thanks.

Mark

-----Original Message-----

From: Mary Sue Ramey [mailto:msramey@blueridgeentps.com]
Sent: Thursday, April 02, 2009 4:49 PM
To: Tim Courville, MD
Cc: Mark Coleman; Joe Phillips
Subject: FW: (send unsecure) Dr. Bolinger

This is John's response to our revised report. MS

-----Original Message-----

From: John Litaker [mailto:John.Litaker@centrahealth.com]
Sent: Thursday, April 02, 2009 4:30 PM
To: Mary Sue Ramey
Subject: (send unsecure) Dr. Bolinger

Mary Sue,

Attached is a worksheet which I put together using your revised numbers submitted thru February and your original numbers submitted thru January.

Monthly data showing in the July-January timeframe on the attached worksheet represents that which was originally submitted to me. The two columns listed in the "Seven Month" section represent YTD and annualized data from this seven-month period. Columns under the "Eight Month" section

represent YTD and annualized amounts taken from your revised report.

The variance column represents the difference between the two annualized sets of numbers.

You briefly reviewed some of the differences with me, but I have listed these again, along with other questions. I do need written documentation for each of these changes to include in Dr. Bolinger's file.

The issue of square footage may take care of several items noted below, and hearing aids may take care of the medical supply question, but I don't understand how there is an increase in expenses of \$129 thousand (how could HCI miss this much). I want to give Dr. B's practice as much credit as

CENTRA 00029

I can, and I also realize that comparing two annualized sets of numbers doesn't provide a completely accurate picture of what has happened, but some of the other miscellaneous increases and/or decreases shown below are really strange.

I understood your earlier explanation about staffing changes, etc., but I'm still concerned that these persons were already on payroll at the time Dr. Bolinger arrived. If this is correct, eventhough they might be doing work for him versus other physicians, their salary cost is not incremental to Dr. Bolinger. I assume rent is still based on square footage. I thought we had square feet pretty well ironed out at the beginning. What warranted an after-the fact increase? Utilities: since related to square feet, same question as above. Why did computer maintenance increase? I believe that medical supplies was primarily related to hearing aids. How did HCI miss \$46,000 worth of these supplies?
Practice promotion: \$1,200 increase?
Transcription: \$4,300 increase?
Advertising: \$5,500 increase?
Depreciation: \$11,000 increase?
Cleaning service: same question re square footage increase.
Fringes: \$9,700 increase?
Professional expense: \$6,700 decrease?
Mysis users license: \$1,600 decrease?
Office remodeling: \$1,300 decrease?

Thanks for your help.

(See attached file: Worksheet for annualized expenses.xls)

	\$ 10,000.00	\$ 12,414.17	\$ 32,018.54	\$ 32,732.49	\$ 38,218.35	\$ 44,107.00	\$ 41,801.27	\$ 45,648.51	\$ -	\$ -	\$ -	\$ -
	\$ 50.00	\$ 3,106.11	\$ 2,706.94	\$ 2,950.31	\$ 3,118.38	\$ 3,054.22	\$ 3,224.72	\$ 2,995.77	\$ 2,156.45	\$ 3,307.64	\$ 4,938.44	\$ -
	\$ 50.00	\$ 472.52	\$ 472.52	\$ 472.52	\$ 472.52	\$ 472.52	\$ 472.52	\$ 472.52	\$ -	\$ -	\$ -	\$ -
①	\$ 500.00	\$ 2,315.20	\$ 2,315.20	\$ 2,315.20	\$ 2,315.20	\$ 2,315.20	\$ 2,315.20	\$ 2,315.20	\$ -	\$ -	\$ -	\$ -
②	\$ 250.00	\$ 280.97	\$ 260.34	\$ 280.78	\$ 274.64	\$ 323.26	\$ 292.36	\$ 252.72	\$ -	\$ -	\$ -	\$ -
③	\$ 75.00	\$ 190.11	\$ 104.69	\$ 112.11	\$ 88.24	\$ 103.30	\$ 173.51	\$ 184.87	\$ -	\$ -	\$ -	\$ -
	\$ 125.00	\$ 208.47	\$ 30.72	\$ 154.43	\$ 185.44	\$ 56.69	\$ 55.09	\$ 687.61	\$ -	\$ -	\$ -	\$ -
	\$ 750.00	\$ 598.49	\$ 289.94	\$ 5,046.11	\$ 622.13	\$ (4,645.57)	\$ 309.64	\$ 322.56	\$ -	\$ -	\$ -	\$ -
	\$ 10,000.00	\$ 4,591.80	\$ 1,063.13	\$ 1,549.76	\$ 1,411.60	\$ 1,091.19	\$ 741.06	\$ 1,420.44	\$ -	\$ -	\$ -	\$ -
	\$ 750.00	\$ 1,331.95	\$ 585.18	\$ 482.51	\$ 931.69	\$ 504.75	\$ 451.09	\$ 757.51	\$ -	\$ -	\$ -	\$ -
	\$ 250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 103.32	\$ 6.06	\$ 2.44	\$ 199.96	\$ 169.98	\$ -	\$ 768.14	\$ -	\$ -	\$ -	\$ -
	\$ 250.00	\$ 11.19	\$ 12.40	\$ -	\$ 11.77	\$ 25.06	\$ (60.18)	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,000.00	\$ 13.11	\$ 161.43	\$ 161.79	\$ 422.09	\$ 9.04	\$ 27.10	\$ 100.93	\$ -	\$ -	\$ -	\$ -
	\$ 1,500.00	\$ -	\$ -	\$ 519.72	\$ 235.50	\$ 117.13	\$ 878.63	\$ 142.71	\$ -	\$ -	\$ -	\$ -
	\$ 1,000.00	\$ -	\$ -	\$ 193.74	\$ 273.60	\$ 263.07	\$ 215.68	\$ 216.16	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ 703.75	\$ -	\$ 1,156.25	\$ -	\$ 830.00	\$ 530.00	\$ -	\$ -	\$ -	\$ -
	\$ 75.00	\$ 700.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65.00	\$ -	\$ -	\$ -	\$ -
	\$ 250.00	\$ 288.13	\$ 1,348.38	\$ 330.97	\$ -	\$ 767.82	\$ -	\$ 102.81	\$ -	\$ -	\$ -	\$ -
	\$ 1,500.00	\$ -	\$ 306.00	\$ -	\$ 306.00	\$ 153.00	\$ 174.25	\$ 153.00	\$ -	\$ -	\$ -	\$ -
	\$ 500.00	\$ 495.70	\$ 2,265.77	\$ 29.20	\$ 221.65	\$ 133.25	\$ 1,521.23	\$ 1,744.63	\$ -	\$ -	\$ -	\$ -
	\$ 100.00	\$ 608.28	\$ 728.44	\$ 794.02	\$ 801.34	\$ 801.34	\$ 801.34	\$ 541.09	\$ -	\$ -	\$ -	\$ -
	\$ 250.00	\$ 291.92	\$ 265.53	\$ 259.74	\$ 546.64	\$ -	\$ 567.97	\$ 448.75	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 19,225.00	\$ 15,607.27	\$ 13,626.42	\$ 15,655.35	\$ 13,594.64	\$ 5,715.25	\$ 12,991.21	\$ 14,222.42	\$ -	\$ -	\$ -	\$ -
	\$ 5,000.00	\$ 2,544.50	\$ -	\$ -	\$ -	\$ 2,035.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 500.00	\$ 517.00	\$ -	\$ -	\$ 3,552.00	\$ -	\$ 101.25	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 1,000.00	\$ 635.93	\$ 474.25	\$ -	\$ 25.58	\$ 1,701.05	\$ 1,272.39	\$ 865.21	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 1,232.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 7,358.22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ 5,857.15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ 6,500.00	\$ 18,145.35	\$ 474.25	\$ -	\$ 3,577.58	\$ 3,736.55	\$ 1,373.64	\$ 865.21	\$ -	\$ -	\$ -	\$ -
	\$ 25,725.00	\$ 33,752.62	\$ 14,100.67	\$ 15,655.35	\$ 17,172.22	\$ 9,451.80	\$ 14,364.85	\$ 15,087.63	\$ -	\$ -	\$ -	\$ -
	\$ (15,725.00)	\$ (21,338.45)	\$ 17,917.87	\$ 17,077.14	\$ 21,046.13	\$ 34,656.10	\$ 27,436.42	\$ 30,560.88	\$ -	\$ -	\$ -	\$ -
	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ 20,833.33	\$ -	\$ -	\$ -	\$ -
	\$ 36,558.33	\$ 42,171.78	\$ 2,915.46	\$ 3,756.19	\$ (212.80)	\$ (13,822.77)	\$ (6,603.09)	\$ (9,727.55)	\$ -	\$ -	\$ -	\$ -
	\$ 20,833.33	\$ 42,171.78	\$ 2,915.46	\$ 3,756.19	\$ (212.80)	\$ (13,822.77)	\$ (6,603.09)	\$ (9,727.55)	\$ -	\$ -	\$ -	\$ -

21,156.45 / 91.02
 3,307.64
 ORIGINAL
 41,938.44

① Rent @ 14.47% \$16,000/mo
 ② Utilities @ 14.47% \$945/mo
 ③ Maintenance @ 14.47% \$1,360/mo

CENTRA 00089

[RP00067] Financial - Analyses
 BLUE RIDGE ENT & PS INC
 USER - mramey

Financial Analysis

DATE 12/31/2014
 TIME 13:00
 PAGE 1

BOLINGER / 7/1/2008 - 6/30/2009

***** FINANCIAL ANALYSIS REPORT *****
 by DOCTOR by LOCATION by PROCEDURE

	CHARGES	PERSONAL RECEIPTS	INSURANCE RECEIPTS	CHARGE ADJUST	INSURANCE WRITE-OFF	RECEIPT ADJUST	BALANCE TRANSFERS	MISC CHARGES	CHANGE IN A/R
5 -MATTHEW A									
22 -SURGERY CENTER OF									
10060-ABSCCESS, I&D (SIM	150.00	35.00-	82.25-	.00	32.75-	.00	.00	.00	.00
11421-EXCISE BENIGN NEC	200.00	.00	47.19-	.00	152.81-	.00	.00	.00	.00
11441-EXCISE BENIGN FA	744.00	21.97-	190.85-	.00	288.97-	.00	.00	.00	242.21
11442-EXCISE BENIGN FA	273.00	.00	115.88-	.00	157.12-	.00	.00	.00	.00
11641-EXCISE CA FACE -	335.00	.00	74.18-	18.55-	242.27-	.00	.00	.00	.00
12011-SIMPLE REPAIR FAC	450.00	.00	51.85-	12.96-	385.19-	.00	.00	.00	.00
12051-REPAIR FACE - TO	600.00	.00	160.44-	.00	149.52-	.00	.00	.00	290.04
13152-REPAIR COMPLEX -	2000.00	322.24-	349.88-	.00	650.12-	.00	.00	.00	677.76
14040-ADJACENT TISSUE T	1350.00	15.00-	536.95-	.00	798.05-	.00	.00	.00	.00
14060-ADJACENT TISSUE T	4050.00	156.35-	1883.01-	165.74-	1844.90-	.00	.00	.00	.00
14300-ADJ TISSUE TRANSF	2900.00	.00	831.21-	.00	2068.79-	.00	.00	.00	.00
15839-LIPOSUCTION-OTHER	1300.00	419.06-	472.58-	.00	.00	.00	.00	.00	408.36
21320- FRACTURE NASAL R	700.00	155.83-	.00	.00	.00	.00	.00	.00	544.17
30520-SBFTOPLASTY	6695.00	1057.43-	1942.11-	.00	3416.67-	.00	.00	.00	278.79
31254-FESS WITH ETHMOID	1947.00	.00	336.37-	.00	1573.26-	.00	.00	.00	37.37
31267-FESS WITH REMOVAL	2163.00	.00	590.62-	.00	1506.75-	.00	.00	.00	65.63
31288-FESS WITH REMOVAL	1854.00	.00	376.73-	.00	1477.27-	.00	.00	.00	.00
38305-ABSCCESS, DRAIN NE	412.00	.00	352.81-	.00	59.19-	.00	.00	.00	.00
38510-BIOPSY/REMOVE LYM	800.00	.00	370.07-	.00	429.93-	.00	.00	.00	.00
40819-FRENUM, EXCISION	379.00	272.75-	.00	.00	106.25-	.00	.00	.00	.00
41115-FRENECTOMY	375.00	.00	141.74-	.00	233.26-	.00	.00	.00	.00
42408-SUBMAXILLARY CYST	709.00	.00	213.54-	53.38-	442.08-	.00	.00	.00	.00
42440-SUBMAXILLARY GLAN	1905.00	.00	465.78-	116.45-	1322.77-	.00	.00	.00	.00
42450-SUBLINGUAL GLAND,	928.00	.00	213.46-	53.36-	661.18-	.00	.00	.00	.00
42820-T&a UNDER 12	20255.00	1766.46-	6938.16-	370.41-	10612.81-	14.60	.00	.00	581.76
42821-T&a 12 OR OVER	2325.00	.00	561.77-	.00	988.23-	.00	.00	.00	775.00
42825-TONSILLECTOMY UND	.00	.00	.00	.00	.00	.00	.00	.00	.00
42826-TONSILLECTOMY 12+	10650.00	2465.50-	1641.24-	53.75-	5132.36-	.00	.00	.00	1357.15
42830-ADENOIDECTOMY UND	1000.00	.00	317.68-	.00	682.32-	.00	.00	.00	.00
42835-REMOVAL OF ADENOI	1000.00	.00	374.17-	.00	625.83-	.00	.00	.00	.00
69205-FOREIGN BODY REMO	451.50	.00	.00	.00	264.00-	.00	.00	.00	187.50
69420-MYRINGOTOMY-1, LO	412.50	57.00-	228.00-	.00	127.50-	.00	.00	.00	.00
69436-TUBE INSERTION-1/	28756.00	4791.07-	8823.65-	358.64-	13717.80-	62.74	.00	.00	1127.58
69643-TYMPANOPLASTY W/O	3821.00	.00	.00	.00	3821.00-	.00	.00	.00	.00
92502-EAR & THROAT EXAM	580.00	141.00-	70.42-	.00	368.58-	.00	.00	.00	.00
ADX-ADDITIONAL DIAGNO	.00	.00	.00	.00	.00	.00	.00	.00	.00
CANCEL-CANCELLED APPOINT	.00	.00	.00	.00	.00	.00	.00	.00	.00
RESCHED-RESCHEDULED APPOI	.00	.00	.00	.00	.00	.00	.00	.00	.00
*** LOCATION SUBTOTAL	102,470.00	11,676.66-	28,754.59-	1,203.24-	54,339.53-	77.34	.00	.00	6,573.32

31 -VIRGINIA BAPTIST H									
99234-OBSERVATION OR IN	200.00	.00	151.65-	.00	48.35-	.00	.00	.00	.00
99252-INITIAL INPATIENT	500.00	.00	229.70-	.00	243.30-	.00	.00	.00	27.00
ADX-ADDITIONAL DIAGNO	.00	.00	.00	.00	.00	.00	.00	.00	.00
*** LOCATION SUBTOTAL	700.00	.00	381.35-	.00	291.65-	.00	.00	.00	27.00

32 -VIRGINIA BAPTIST H									
11421-EXCISE BENIGN NEC	200.00	9.23-	36.91-	.00	153.86-	.00	.00	.00	.00
11422-EXCISE BENIGN NEC	952.00	9.22	229.66-	.00	731.56-	.00	.00	.00	.00
11642-EXCISE CA FACE -	438.00	15.43-	61.73-	.00	360.84-	.00	.00	.00	.00
11644-EXCISE MALLIG LESI	670.00	.00	240.79-	.00	429.21-	.00	.00	.00	.00
12042-REPAIR NECK 2.6-7	300.00	.00	80.34-	.00	219.66-	.00	.00	.00	.00
13151-REPAIR COMPLEX -	616.00	27.09-	108.36-	.00	480.55-	.00	.00	.00	.00
14060-ADJACENT TISSUE T	2700.00	480.00-	582.21-	870.00-	767.79-	.00	.00	.00	.00
15200-GRAFT, FULL THICK	1100.00	109.78-	439.10-	.00	551.12-	.00	.00	.00	.00
15201-SKIN FULL THICKNE	450.00	13.60-	54.38-	.00	382.02-	.00	.00	.00	.00
21320- FRACTURE NASAL R	1400.00	250.00-	570.07-	.00	579.93-	.00	.00	.00	.00
21501-NECK, ABSCESS - I	655.00	.00	302.82-	.00	352.18-	.00	.00	.00	.00
30117-NASAL LESION, EXC	925.00	56.89-	227.55-	.00	640.56-	.00	.00	.00	.00
30140-TURBINATES, INFER	800.00	.00	197.81-	49.45-	552.74-	.00	.00	.00	.00
30520-SBFTOPLASTY	6695.00	258.29-	2286.39-	320.83-	4437.49-	.00	.00	.00	608.00-
31238-ENDOSCOPY - NASAL	1050.00	.00	.00	.00	.00	.00	.00	.00	1050.00
31254-FESS WITH ETHMOID	1947.00	.00	550.36-	137.59-	651.05-	.00	.00	.00	608.00
31255-FESS WITH ETHMOID	7004.00	166.50-	1606.00-	.00	5231.50-	.00	.00	.00	.00
31256-FESS WITH MAXILLA	4895.00	.00	442.18-	52.97-	4399.85-	.00	.00	.00	.00
31267-FESS WITH REMOVAL	2884.00	43.75-	469.24-	.00	2371.01-	.00	.00	.00	.00
31287-FESS WITH SPHENOI	3090.00	63.60-	416.79-	.00	2609.61-	.00	.00	.00	.00
31515-DIRECT LARYNGOSCO	425.00	.00	98.60-	.00	326.40-	.00	.00	.00	.00
31525-DL DIAGNOSTIC	173.50	.00	.00	173.50-	.00	.00	.00	.00	.00
31535-DL WITH BIOPSY	1965.00	45.48-	472.22-	20.50-	1412.55-	.00	.00	.00	14.25
31536-DL MICRO WITH BIO	737.00	1.40-	155.56-	.00	580.04-	.00	.00	.00	.00
31545-LARYNGOSCOPY, DIR	6000.00	.00	1193.89-	.00	4796.09-	.00	.00	.00	10.02
31575-DL FLEXIBLE DIAGN	262.00	.00	68.80-	.00	193.20-	.00	.00	.00	.00
31588-THYROPLASTY-ISHIK	3073.00	.00	1392.80-	.00	1680.20-	.00	.00	.00	.00
38510-BIOPSY/REMOVE LYM	1600.00	102.06-	615.39-	154.33-	728.22-	.00	.00	.00	.00
38542-JUGULAR NODES, DI	1065.00	.00	290.37-	.00	806.63-	.00	.00	.00	32.00-

[RP00067] Financial - Analyses
BLUE RIDGE ENT & PS INC
USER - mramey

Financial Analysis

DATE 12/31/2014
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***** FINANCIAL ANALYSIS REPORT *****
by DOCTOR by LOCATION by PROCEDURE

	CHARGES	PERSONAL RECEIPTS	INSURANCE RECEIPTS	CHARGE ADJUST	INSURANCE WRITE-OFF	RECEIPT ADJUST	BALANCE TRANSFERS	MISC CHARGES	CHANGE IN A/R
42440-SUBMAXILLARY GLAN	1905.00	130.50-	522.00-	.00	1252.50-	.00	.00	.00	.00
42806-NASOPHARYNX BIOPS	350.00	.00	59.44-	.00	290.56-	.00	.00	.00	.00
42820-T&A UNDER 12	1400.00	70.60-	509.10-	.00	820.30-	.00	.00	.00	.00
42821-T&A 12 OR OVER	3100.00	332.24-	864.56-	559.35-	1343.85-	.00	.00	.00	.00
42835-REMOVAL OF ADENOI	500.00	26.32-	236.93-	.00	236.75-	.00	.00	.00	.00
43200-ESOPHAGOSCOPY	1955.01	14.25-	214.21-	155.01-	1585.79-	.00	.00	.00	14.25-
60200-THYROID CYST, EXC	2400.00	87.45-	1363.76-	.00	948.79-	.00	.00	.00	.00
60220-THYROID LOBECTOMY	5946.75	182.10-	2371.18-	.00	3470.97-	.00	.00	.00	77.50-
60500-PARATHYROIDECTOMY	1029.11	134.23-	.00	.00	.00	.00	.00	.00	894.88
60502-PARATHYROIDECTOMY	2749.00	.00	179.74-	.00	2569.26-	.00	.00	.00	.00
61795-FESS - INSTATRACK	2400.00	64.55-	478.33-	.00	1857.12-	.00	.00	.00	.00
69436-TUBE INSERTION-1/	6552.00	1849.51-	1531.72-	50.19-	3120.58-	.00	.00	.00	.00
91034-PH PROBE-PLACEMENT	1000.00	.00	47.40-	.00	952.60-	.00	.00	.00	.00
92502-EAR & THROAT EXAM	348.00	.00	115.31-	.00	232.69-	.00	.00	.00	.00
CANCEL-CANCELLED APPOINT	.00	.00	.00	.00	.00	.00	.00	.00	.00
NOSHOW-NOSHOW	.00	.00	.00	.00	.00	.00	.00	.00	.00
RESCHED-RESCHEDULED APPOI	.00	.00	.00	.00	.00	.00	.00	.00	.00
*** LOCATION SUBTOTAL	85,706.37	4,525.63-	21,684.00-	2,543.72-	55,107.62-	.00	.00	.00	1,845.40

41 -LYNCHBURG GENERAL									
10061-ABSCCESS, I&D (DBE	602.00	.00	300.60-	.00	301.40-	.00	.00	.00	.00
11642-EXCISE CA FACE -	438.00	14.46-	63.37-	.00	360.17-	.00	.00	.00	.00
13132-REPAIR COMPLEX FA	1700.00	33.58-	147.15-	850.00-	669.27-	.00	.00	.00	.00
21325-FRACTURE NASAL -	950.00	.00	.00	950.00-	.00	.00	.00	.00	.00
21360-FRACTURE - MALAR,	2017.00	.00	.00	2017.00-	.00	.00	.00	.00	.00
21445-OPEN TREATMENT, M	1600.00	.00	.00	1600.00-	.00	.00	.00	.00	.00
30903-NASAL CAUTERY - 1	369.00	.00	111.38-	.00	257.62-	.00	.00	.00	.00
31368-SUBTOTAL SUPRAGLO	5600.00	.00	2085.20-	.00	3514.80-	.00	.00	.00	.00
31500-ENDOTRACHEAL INTU	344.00	.00	143.55-	.00	200.45-	.00	.00	.00	.00
31525-DL DIAGNOSTIC	500.00	.00	.00	.00	500.00-	.00	.00	.00	.00
31575-DL FLEXIBLE DIAGN	786.00	9.80-	235.34-	19.58-	521.28-	.00	.00	.00	.00
31600-TRACHEOSTOMY (PLA	2142.00	.00	.00	.00	.00	.00	.00	.00	2142.00
31603-TRACHEOSTOMY-EMER	1000.00	.00	206.97-	.00	793.03-	.00	.00	.00	.00
38510-BIOPSY/REMOVE LYM	1380.00	3.00-	400.00-	.00	300.00-	.00	.00	.00	677.00
38720-NECK DISSECTION,	2620.00	.00	182.00-	.00	2438.00-	.00	.00	.00	.00
41000-TONGUE & FLOOR OF	256.00	.00	68.61-	.00	187.39-	.00	.00	.00	.00
41130-HEMIGLOSSECTOMY	2172.00	225.41-	901.65-	.00	1044.94-	.00	.00	.00	.00
41153-HEMIGLOSSECTOMY,	4500.00	.00	1433.85-	.00	3066.15-	.00	.00	.00	.00
42420-PAROTIDECTOMY, TO	3393.00	.00	1132.15-	.00	2260.85-	.00	.00	.00	.00
42425-PAROTIDECTOMY/TUM	2500.00	.00	747.62-	.00	1752.38-	.00	.00	.00	.00
42426-PAROTIDECTOMY/TOT	4120.00	.00	193.80-	.00	3926.20-	.00	.00	.00	.00
42720-INCISION & DRAINA	412.00	.00	346.78-	.00	65.22-	.00	.00	.00	.00
42962-ORALPHARYNGEL HEM	1200.00	.00	403.26-	.00	796.74-	.00	.00	.00	.00
43200-ESOPHAGOSCOPY	450.00	.00	46.46-	.00	403.54-	.00	.00	.00	.00
43752-PLACE NASO- OR OR	2356.00	.00	20.88-	5.22-	2329.90-	.00	.00	.00	.00
60200-THYROID CYST, EXC	1200.00	9.23-	36.91-	.00	1153.86-	.00	.00	.00	.00
60240-THYROIDECTOMY, TO	7200.00	541.92-	1614.41-	239.59-	2404.08-	.00	.00	.00	2400.00
60271-THYROIDECTOMY - C	3090.00	.00	911.43-	.00	2178.57-	.00	.00	.00	.00
60500-PARATHYROIDECTOMY	2775.00	28.64-	114.54-	.00	2631.82-	.00	.00	.00	.00
67875-CLOSE EYELID BY S	515.00	.00	.00	.00	515.00-	.00	.00	.00	.00
99231-FOLLOWUP HOSPITAL	120.00	44.33-	.00	.00	15.67-	.00	.00	.00	60.00
99251-INITIAL INPATIENT	300.00	.00	187.85-	11.38-	100.77-	.00	.00	.00	.00
99252-INITIAL INPATIENT	875.00	80.00-	312.41-	295.00-	187.59-	.00	.00	.00	.00
99253-INITIAL INPATIENT	1950.00	33.32-	828.60-	306.00-	709.78-	.00	.00	.00	72.30
99254-INITIAL INPATIENT	229.00	.00	.00	229.00-	.00	.00	.00	.00	.00
ADX-ADDITIONAL DIAGNO	.00	.00	.00	.00	.00	.00	.00	.00	.00
CANCEL-CANCELLED APPOINT	.00	.00	.00	.00	.00	.00	.00	.00	.00
RESCHED-RESCHEDULED APPOI	.00	.00	.00	.00	.00	.00	.00	.00	.00
VOID-VOIDED TICKET	.00	.00	.00	.00	.00	.00	.00	.00	.00
*** LOCATION SUBTOTAL	61,661.00	1,023.69-	13,176.77-	6,522.77-	35,586.47-	.00	.00	.00	5,351.30

42 -LYNCHBURG GENERAL									
11442-EXCISE BENIGN FA	273.00	33.65-	134.61-	.00	104.74-	.00	.00	.00	.00
11640-EXCISE CA FACE -	300.00	.00	50.02-	.00	249.98-	.00	.00	.00	.00
11642-EXCISE CA FACE -	438.00	.00	80.03-	.00	357.97-	.00	.00	.00	.00
12011-SIMPLE REPAIR FAC	225.00	12.96-	51.85-	.00	160.19-	.00	.00	.00	.00
12051-REPAIR FACE - TO	300.00	.00	148.66-	.00	151.34-	.00	.00	.00	.00
13151-REPAIR COMPLEX -	655.00	.00	254.34-	.00	397.66-	.00	.00	.00	3.00
13152-REPAIR COMPLEX -	1000.00	506.50-	.00	.00	493.50-	.00	.00	.00	.00
14300-ADJ TISSUE TRANSF	2900.00	3.00-	650.63-	.00	2086.71-	.00	.00	.00	159.66
20670-ARCH BAR REMOVAL	600.00	.00	.00	600.00-	.00	.00	.00	.00	.00
30130-TURBINECTOMY, INF	1012.50	.00	242.20-	.00	770.30-	.00	.00	.00	.00
30140-TURBINATES, INFER	2800.00	109.61-	1112.39-	.00	1546.84-	.00	.00	.00	31.16
30520-SEPTOPLASTY	8034.00	864.26-	1886.04-	67.01-	3861.93-	.00	.00	.00	1354.76
30905-NASAL BALLOON, PA	375.00	.00	.00	.00	375.00-	.00	.00	.00	.00
31237-ENDOSCOPY - DEBRI	850.50	.00	.00	.00	850.50-	.00	.00	.00	.00
31238-ENDOSCOPY - NASAL	700.00	.00	166.80-	.00	514.67-	.00	.00	.00	18.53
31240-ENDOSCOPY - CONCH	1802.50	.00	.00	.00	1802.50-	.00	.00	.00	.00

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 BLUE RIDGE ENT & PS INC
 USER - mramen

Financial Analysis

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***** FINANCIAL ANALYSIS REPORT *****
 by DOCTOR by LOCATION by PROCEDURE

	CHARGES	PERSONAL RECEIPTS	INSURANCE RECEIPTS	CHARGE ADJUST	INSURANCE WRITE-OFF	RECEIPT ADJUST	BALANCE TRANSFERS	MISC CHARGES	CHANGE IN A/R
31254-FESS WITH ETHMOID	1298.00	17.07-	131.72-	34.15-	1115.06-	.00	.00	.00	.00
31255-FESS WITH ETHMOID	19261.00	3.00-	4250.35-	38.00-	14969.65-	.00	.00	.00	.00
31256-FESS WITH MAXILLA	5874.00	22.24-	719.46-	14.84-	5117.46-	.00	.00	.00	.00
31267-FESS WITH REMOVAL	9373.00	.00	1181.98-	.00	8191.02-	.00	.00	.00	.00
31276-FESS - FRONTAL SI	4635.00	.00	1234.39-	.00	3037.99-	.00	.00	.00	362.62
31288-FESS WITH REMOVAL	4944.00	.00	790.54-	.00	4153.46-	.00	.00	.00	.00
31525-DL DIAGNOSTIC	2000.00	36.54-	244.42-	484.61-	1234.43-	.00	.00	.00	.00
31535-DL WITH BIOPSY	655.00	.00	175.51-	.00	479.49-	.00	.00	.00	.00
31536-DL MICRO WITH BIO	737.00	120.33-	75.73-	.00	540.94-	.00	.00	.00	.00
31545-LARYNGOSCOPY, DIR	2000.00	170.57-	303.22-	.00	1526.21-	.00	.00	.00	.00
31600-TRACHEOSTOMY (PLA	1600.00	71.45-	643.03-	.00	885.52-	.00	.00	.00	.00
38510-BIOPSY/REMOVE LYM	1600.00	64.61-	521.75-	775.39-	238.25-	.00	.00	.00	.00
38724-NECK DISSECTION,	2675.00	241.30-	965.20-	.00	1468.50-	.00	.00	.00	.00
40530-RESECTION OF LIP,	1452.00	247.62-	.00	.00	1204.38-	.00	.00	.00	.00
41105-BIOPSY OF POSTERI	298.00	13.50-	54.00-	.00	230.50-	.00	.00	.00	.00
42410-PAROTIDECTOMY, EX	1493.00	31.00-	744.00-	.00	718.00-	.00	.00	.00	.00
42440-SUBMAXILLARY GLAN	1905.00	.00	580.75-	.00	1324.25-	.00	.00	.00	.00
42800-BX OF OROPHARYNX/	250.00	27.30-	109.20-	.00	113.50-	.00	.00	.00	.00
42820-T&A UNDER 12	700.00	.00	.00	.00	.00	.00	.00	.00	700.00
42826-TONSILLECTOMY 12+	3550.00	133.45-	1225.32-	.00	2191.23-	.00	.00	.00	.00
42953-ZENKER'S DIVERTIC	2285.00	.00	853.38-	.00	1431.62-	.00	.00	.00	.00
42962-ORALPHARYNGEL HEM	1200.00	.00	.00	.00	.00	.00	.00	.00	1200.00
43200-ESOPHAGOSCOPY	450.00	.00	95.08-	.00	354.92-	.00	.00	.00	.00
60200-THYROID CYST, EXC	2400.00	.00	1155.42-	.00	1244.58-	.00	.00	.00	.00
60210-THYROIDECTOMY, PA	1938.00	.00	494.25-	.00	1443.75-	.00	.00	.00	.00
60220-THYROID LOBECTOMY	3964.50	50.00-	677.37-	1957.25-	1304.88-	.00	.00	.00	25.00-
60281-THYROIDGLOSSAL DUCT	2015.00	127.34-	382.03-	.00	1505.63-	.00	.00	.00	.00
60500-PARATHYROIDECTOMY	2775.00	.00	862.42-	.00	1912.58-	.00	.00	.00	.00
61795-FESS - INSTATRACK	6000.00	2.20-	1190.61-	.00	4807.19-	.00	.00	.00	.00
69436-TUBE INSERTION-1/	546.00	.00	173.61-	.00	329.70-	.00	.00	.00	42.69
99220-INITIAL OBSERVATI	225.00	.00	.00	.00	.00	.00	.00	.00	225.00
99234-OBSERVATION OR IN	200.00	.00	200.00-	.00	.00	.00	.00	.00	.00
99253-INITIAL INPATIENT	.00	.00	.00	.00	.00	.00	.00	.00	.00
ADX-ADDITIONAL DIAGNO	.00	.00	.00	.00	.00	.00	.00	.00	.00
CANCEL-CANCELLED APPOINT	.00	.00	.00	.00	.00	.00	.00	.00	.00
*** LOCATION SUBTOTAL	112,564.00	2,909.50-	24,812.31-	3,971.25-	76,798.52-	.00	.00	.00	4,072.42
43 -LYNCHBURG GENERAL									
10021-FINE NEEDLE ASPIR	225.00	.00	61.48-	.00	163.52-	.00	.00	.00	.00
13152-REPAIR COMPLEX -	2000.00	.00	.00	506.50-	1493.50-	.00	.00	.00	.00
13153-REPAIR COMPLEX -	450.00	.00	.00	177.00-	273.00-	.00	.00	.00	.00
21320- FRACTURE NASAL R	700.00	.00	.00	85.75-	614.25-	.00	.00	.00	.00
30903-NASAL CAUTERY - 1	246.00	.00	74.25-	.00	171.75-	.00	.00	.00	.00
30905-NASAL BALLOON, PA	2302.50	.00	542.81-	409.50-	1322.89-	.00	.00	.00	27.30
31525-DL DIAGNOSTIC	500.00	.00	400.00-	.00	.00	.00	.00	.00	100.00
31575-DL FLEXIBLE DIAGN	2096.00	68.58-	426.28-	297.25-	1284.31-	.00	.00	.00	19.58
41599-TONGUE/FLOOR OF M	300.00	.00	195.00-	.00	105.00-	.00	.00	.00	.00
42700-PERITONSILL ABSCE	1200.00	182.25-	133.27-	333.32-	251.16-	.00	.00	.00	300.00
42809-FOREIGN BODY REMO	325.00	155.00-	.00	.00	170.00-	.00	.00	.00	.00
99251-INITIAL INPATIENT	.00	.00	.00	.00	.00	.00	.00	.00	.00
99281-EMERGENCY DEPT VI	90.00	.00	19.76-	.00	70.24-	.00	.00	.00	.00
99282-EMERGENCY DEPT VI	715.00	83.50-	126.50-	115.00-	276.89-	.00	.00	.00	113.11
99283-EMERGENCY DEPT VI	1654.00	14.98-	652.21-	219.19-	787.20-	.00	.00	.00	19.58-
99284-EMERGENCY DEPT VI	480.00	.00	211.62-	160.00-	108.38-	.00	.00	.00	.00
99285-EMERGENCY DEPT VI	400.00	.00	320.00-	.00	.00	.00	.00	.00	80.00
*** LOCATION SUBTOTAL	13,683.50	504.31-	3,163.18-	2,303.51-	7,092.09-	.00	.00	.00	620.41
### DOCTOR SUBTOTAL	376,784.87	20,639.79-	91,972.20-	16,544.49-	229,215.88-	77.34	.00	.00	18,489.85
***** GRAND TOTALS *****	376,784.87	20,639.79-	91,972.20-	16,544.49-	229,215.88-	77.34	.00	.00	18,489.85

[RP00067] Financial - Analyses
 BLUE RIDGE ENT & PS INC
 USER - mramey

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First:          DOCTOR          Date Format:      Month/Year
Second:         LOCATION        Date of Service: Both DOS
Third:          PROCEDURE       Sort Date:       Posting Date
Fourth:         (none)
Fifth:          (none)
Secondary/Tertiary: Separate
Include Non-Insurance w/Primary = Y
=====
Zero Balance = N
Credit Balance = N
Positive Balance = N
Established Debits = N
Unallocated = N
All Open Item Statuses = Y
Attached Receipts Only = Y
Use Charge Date for Debits = N
Page Break on First Level Change = N
=====
Patient Detail = N
Charge Detail = N
=====
Updated = N
Not Updated = N
Updated Deletions = N
Not Updated Deletions = N
=====
All Visit/Receipt Statuses = Y
Include Summary Totals: No
Patient Age Format:      Years
Create Output File: N
=====
    
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Charge Posting Date:      Start      Stop
Date of Service:         01/01/1979 12/31/2078
Receipt Posting Date:    07/01/2008 06/30/2009
Receipt Allocation Date: 01/01/1979 12/31/2078
File Date:               01/01/1979 12/31/2078
Refill Date:             01/01/1979 12/31/2078
=====
Patient #:
Race Code:               0          99999
Marital Status Code:    0          99999
Age:                     0          99999
Sex:                     0          Z
REF SOURCE:              0          9999999
=====
Current Patient Type:    0          99999
Bill Cycle:              0          99999
Zip Code - Resp Party:  ZZZZZZZ
Credit Status:          0          99999
Collection Agency:      0          99999
Collection Level:       1          20
Level Date:             12/31/2078
=====
Debit #:
Patient Type:           0          999999999
Doctor:                 5          5
Referring Dr:          0          9999999
Location:               22         43
Ins Co:                 0          9999999
Ins Plan:               0          99999
Department:            0          99999
Procedure:              0          99999
Modifier:               0          99999
Diagnosis:              0          99999
=====
Receipt:
Transaction Type:      0          999999999
=====
    
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JS 44 (Rev. 11/15)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS
 U.S.A. and Commonwealth of VA. Ex. rel.
 Matthew A. Bolinger, M.D.

(b) County of Residence of First Listed Plaintiff _____
 (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)
 Philip M. Sprinkle, II
 Balch Bringham LLP; 30 Ivan Allen, Jr. BLVD, NV; Atlanta, GA 30380
 Tel: (404) 962-3573

DEFENDANTS
 Centra Health, Inc., Blue Ridge Ear, Nose and Throat, and Plastic Surgery, Inc.

County of Residence of First Listed Defendant Lynchburg, VA
 (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

1 U.S. Government Plaintiff

2 U.S. Government Defendant

3 Federal Question (U.S. Government Not a Party)

4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in This State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business In Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES	
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excludes Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury - Medical Malpractice	PERSONAL INJURY <input type="checkbox"/> 365 Personal Injury - Product Liability <input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 690 Other LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Management Relations <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 751 Family and Medical Leave Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Employee Retirement Income Security Act IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS—Third Party 26 USC 7609	<input type="checkbox"/> 375 False Claims Act <input checked="" type="checkbox"/> 376 Qui Tam (31 USC 3729(a)) <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 896 Arbitration <input type="checkbox"/> 899 Administrative Procedure Act/Review or Appeal of Agency Decision <input type="checkbox"/> 950 Constitutionality of State Statutes

V. ORIGIN (Place an "X" in One Box Only)

1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):
31 USC § 3729 et seq.; 42 USC § 1320a-76

Brief description of cause:
False Claims Act claim based on violation of state law.

VII. REQUESTED IN COMPLAINT: CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ _____ CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY (See instructions): JUDGE _____ DOCKET NUMBER _____

DATE May 23, 2016 SIGNATURE OF ATTORNEY OF RECORD [Signature]

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here. United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
- Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
- Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an "X" in one of the six boxes.
- Original Proceedings. (1) Cases which originate in the United States district courts.
- Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
- Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
- Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
- Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
- Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
- Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
- Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.

RECEIVED

30 Ivan Allen, Jr. Boulevard, Northwest • Suite 700 • Atlanta, GA 30308-3036 www.balch.com

BALCH
& BINGHAM LLP

2016 MAY 23 P 3: 03

U.S. DISTRICT COURT
RICHMOND, VIRGINIA

PHILIP M. SPRINKLE
t: (404) 962-3573
e: psprinkle@balch.com

VIA HAND DELIVERY

Fernando Galindo, Clerk
United States District Court
Eastern District of Virginia
701 East Broad Street
Richmond, VA 23219

UNDER SEAL

Re: United States of America and Commonwealth of Virginia, ex rel. Matthew A. Bolinger, M.D. v. Centra Health, Inc. and Blue Ridge Ear, Nose Throat, and Plastic Surgery, Inc.

Dear Mr. Galindo:

Enclosed for filing ***UNDER SEAL*** pursuant to 31 U.S. Code § 3730(b) on behalf of Plaintiff-Relator, Matthew A. Bolinger, M.D., please find the following:

- An original and two copies of a Complaint and a civil cover sheet;
- A check in the amount of \$400 for the filing fee;

Please contact me should you have any questions. Thank you for your time and assistance with this matter.

Yours very truly,



Philip M. Sprinkle II, Esquire
Virginia Bar No. 20763

ENCLOSURES

Court Name: UNITED STATES DISTRICT COURT
Division: 3
Receipt Number: 34683033188
Cashier ID: lbreeden
Transaction Date: 05/23/2016
Payer Name: PHILIP M. SPRINKLE II

CIVIL FILING FEE
For: PHILIP M. SPRINKLE II
Amount: \$400.00

CHECK
Check/Money Order Num: 4434606UV685
Amt Tendered: \$400.00

Total Due: \$400.00
Total Tendered: \$400.00
Change Amt: \$0.00

CASE #3:16-CV-304