REPORT ON A CONDITION OF THE SETTLEMENT AGREEMENT
BETWEEN THE FEDERAL GOVERNMENT and THE UNIVERSITY in The
United States of America and State of Illinois ex rel. Raymond Pollak, MD v the
Board of Trustees of the University of Illinois.

Pursuant to the terms of the November 17, 2003 Settlement Agreement noted above, an annual
report on the status of the Medical Center’s compliance program is required annually for the next
three consecutive years. Herein is the response to that report from the Department of Health and
Human Services Office of Inspector General, acknowledging that “it appears that UIMC is in
compliance with the terms of the Integrity Paragraph”. This is being reported to the Board for
informational purposes on the basis of its oversight responsibility for compliance.
May 5, 2005

William Chamberlin, M.D.
Compliance Officer
University of Illinois Medical Center at Chicago
1740 W. Taylor Avenue, Mail Code 693
Chicago, IL 60612

Re: First Annual Report for the University of Illinois Medical Center at Chicago

Dear Dr. Chamberlin:

We have reviewed the additional information submitted by your letter dated March 30, 2005, regarding the first Annual Report for the University of Illinois Medical Center at Chicago (UIMC). Thank you for your prompt response. We have no further questions regarding UIMC’s first Annual Report.

Based on this additional information and our review of UIMC’s first Annual Report, it appears that UIMC is in compliance with the terms of the Integrity Paragraph (Paragraph 9) of the Settlement Agreement (“CIA”) between the Office of Inspector General (“OIG”) of the Department of Health and Human Services and the University of Illinois.

However, the OIG cannot unequivocally confirm that UIMC’s first Annual Report demonstrates that UIMC has implemented an effective compliance program. It is a health care provider’s responsibility to formulate policies, procedures, and practices that are tailored to its own operations and that are comprehensive enough to ensure compliance with all applicable Federal health care program requirements. UIMC is in the best position to determine the suitability of its compliance efforts based upon its own particular circumstances (e.g., size, structure, resources, prior history of noncompliance,
etc.). Notwithstanding, during the term specified by the Integrity Paragraph of the Settlement Agreement, the OIG will continue to evaluate whether it appears that UIMC is adhering to the specific requirements of that paragraph.

We look forward to receiving UIMC’s second Annual Report by January 17, 2006. In the interim, if you have any questions regarding UIMC’s obligations under the Integrity Paragraph, please contact me at (202) 205-9404.

Sincerely,

Anne L. MacArthur
Senior Counsel