CONSONUS
HEALTHCARE

Exhibit B

INDEMNIFICATION OF DENIALS

This Indemnification of Denials Exhibit is attached to and made a part of the Therapy Services Agreement ("Agreement") and incorporates such terms and conditions by reference herein. In the event of any conflict or inconsistency with any term or condition in the Agreement related to the subject matter of this Exhibit B, this Exhibit B shall control.

1. If FACILITY is notified of an audit or denial for full or partial reimbursement of THERAPY SERVICES rendered by CONTRACTOR under this Agreement, ("Disputed Claims") by a reviewing entity (RE) such as a Recovery Auditor, Medicare Administrative Contractor, Managed Care organization, etc. FACILITY will notify CONTRACTOR in writing within fourteen (14) calendar days of receipt of the audit or denial. CONTRACTOR agrees to work cooperatively with FACILITY to secure payment from the (RE) under the following guidelines:

1.1. When a FACILITY receives a request for medical records for purposes of audit or denial of the claim (i.e., therapy progress notes, evaluation and physician orders), FACILITY will inform CONTRACTOR in writing within fourteen (14) calendar days of receipt of audit or denial. FACILITY will compile requested documentation and present it to CONTRACTOR for review no later than 19 calendar days from the date on the RE's letter. CONTRACTOR may choose to complete a cover letter outlining the case. Upon review and approval by CONTRACTOR of included documentation, FACILITY will then submit documentation and cover letter if appropriate to the RE by certified mail, and retain a copy for further reference.

1.2. Any response or further communication from the RE to the FACILITY will continue to be communicated to the CONTRACTOR within 14 calendar days of receipt. If CONTRACTOR disagrees with the RE's response, CONTRACTOR will assist FACILITY to develop a letter of appeal reflective of the stage in the appeal process. FACILITY will then timely submit the letters and required documentation to the RE, by certified mail, and retain a copy for further reference.

1.3 Any changes to the format or content related to therapy services in any appeal letter by the FACILITY, or third-party contractor, without the written approval of the CONTRACTOR will result in forfeiture of any indemnity claim.

INDEMNIFICATION OF DENIALS
CONTINUED

2. Except as provided in Section 3 of this Exhibit B, FACILITY may withhold payments due to CONTRACTOR for Disputed Claims pending final resolution of an appeal. In the event an appeal is successful, FACILITY shall be required to remit to CONTRACTOR any amounts received on such appeal and previously withheld from CONTRACTOR within fifteen (15) calendar days after the receipt thereof. In the event that FACILITY elects in its discretion to remit payment to CONTRACTOR related to a Disputed Claim pending appeal, and the appeal is unsuccessful in whole or in part, or if CONTRACTOR chooses not to pursue an appeal, then (except as provided Section 3 below), FACILITY may adjust CONTRACTOR's payment to reflect the reduced reimbursement amount owed by FACILITY to CONTRACTOR consistent with the payer's determination related to the Disputed Claim. In the event FACILITY does not withhold payment due CONTRACTOR for services directly associated with a Disputed Claim, upon final resolution of any appeal, CONTRACTOR will credit FACILITY the difference to reflect the reduced reimbursement amount owed by FACILITY to CONTRACTOR. For example, if the Medicare intermediary denies the number of treatment minutes billed, resulting in payment at a Medium RUG rate, rather than the billed UH rate, CONTRACTOR will credit FACILITY with the difference between the amounts previously billed by CONTRACTOR the amount due upon adjustment of the RUG level. Complete denials of claims will result in the credit to FACILITY by CONTRACTOR for the total amount previously billed.

3. Nothing in this Exhibit B will be read to authorize FACILITY to withhold or reduce reimbursement due to CONTRACTOR for THERAPY SERVICES associated with a Disputed Claim for which payment has been disputed or denied in whole or in part due to FACILITY's failure to fulfill its responsibilities under this Agreement including, without limitation, to timely and properly bill for services (e.g., billing past limitation period), to verify funding and insurance authorization, and to provide CONTRACTOR with accurate and complete data concerning each resident including accurate Common Working File or HETS data.

4. CONTRACTOR and FACILITY mutually agree to cooperate in any appeal process, meeting and/or audit process, which may result from a disallowance of a claim by a RD, MAC or other payer. If outside legal or accounting services are needed to validate or appeal the Disputed Claims, CONTRACTOR may, in its sole discretion, elect to purchase such services. If FACILITY elects to purchase outside services, all costs will be its responsibility.