

**SETTLEMENT AGREEMENT AND MUTUAL RELEASE**

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (“Settlement Agreement”) is entered into this 4<sup>th</sup> day of November 2024 (“Effective Date”) by and between 5034 Atlantic Avenue OPCO LLC d/b/a Recovery Centers of America at Raritan Bay located at 901 Ernston Road, South Amboy, NJ, 5034 Atlantic Avenue OPCO LLC d/b/a Recovery Centers of America at Lighthouse located at 5034 Atlantic Avenue, Mays Landing, NJ, and 5034 Atlantic Avenue OPCO LLC d/b/a Recovery Centers of America at Lighthouse at Voorhees located at 526 S. Burnt Mill Road, Voorhees, NJ (collectively referred to hereinafter as “RCA”), represented by Brian Rath, Esq. of Buchanan Ingersoll & Rooney PC, and the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division (“MFD”). RCA and MFD are hereinafter collectively referred to as the “Parties” and each individually as a “Party.”

WHEREAS, MFD conducted a review of the self-disclosure RCA submitted and found that between January 1, 2020 through December 8, 2023, RCA was reimbursed by the Department of Human Services, Division of Medical Assistance and Health Services (DMAHS) and/or its fiscal agent and/or the Managed Care Organizations (MCO) for overpayment amounts attributable to a failure on the part of counselors to provide weekly individual counseling sessions, which is required for an Intensive Outpatient Treatment program (IOP) to receive the IOP bundled reimbursement rate, in violation of N.J.A.C. 10:161B-10.1 (“Covered Conduct”); and

WHEREAS, MFD determined that, based on the Covered Conduct, RCA received an overpayment from the Medicaid program; and

WHEREAS, MFD issued a self-disclosure acceptance letter in this matter; and

WHEREAS, the parties desire to amicably resolve the dispute regarding the alleged overpayment and have reached a mutually acceptable resolution of the controversies that exist between them; and

NOW THEREFORE, in consideration of the mutual promises contained herein, as well as for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree to settle their dispute on the following terms:

(1) RCA agrees to pay MFD the total sum of Four Hundred Forty-Nine Thousand Three Hundred Thirty-Four Dollars and Twenty-Nine Cents (\$449,334.29) (“Total Payment Amount”), which shall be made in six installments as follows:

- i. December 1, 2024 - \$74,889.05
- ii. January 1, 2025 - \$74,889.05
- iii. February 1, 2025 - \$74,889.05
- iv. March 1, 2025 - \$74,889.05
- v. April 1, 2025 - \$74,889.05
- vi. May 1, 2025 - \$74,889.04

(2) Payment to MFD shall be by certified check, bank check, or attorney trust check made payable to “Treasurer, State of New Jersey,” and shall be mailed or delivered as follows:

Attention: Processing Bureau  
Treasurer, State of New Jersey  
Division of Revenue  
200 Woolverton Street, Building 20  
Lockbox 656  
Trenton, New Jersey 08646

“Recovery Centers of America – [REDACTED]” must be included in the memo line so that payment is properly credited.

(3) As soon as practicable after receipt of the Total Payment Amount from RCA, MFD shall file a Warrant to Discharge with the Clerk of the Superior Court of New Jersey indicating that the Certificate of Debt filed against RCA is satisfied and should be removed from the Court’s docketed list of judgments, with a copy of such filing sent to RCA.

(4) If payment as provided for in this Settlement Agreement is more than ten (10) days

late, RCA will be in default of this Settlement Agreement, and the total remaining unpaid balance plus interest accruing from the date of default will immediately become due (“the Default Amount”). Should RCA not cure the default within five (5) business days of receiving notice of default, the Default Amount immediately will be collected through any means available to MFD as provided by law. RCA agrees that a default of this settlement agreement constitutes good cause for exclusion pursuant to N.J.A.C. 10:49-11.1(d), and MFD reserves the right to exclude RCA from the New Jersey Medicaid program until the Default Amount is repaid to MFD.

(5) RCA agrees to act in full compliance with all applicable state and federal laws and regulations, including but not limited to submitting only claims that accurately and completely reflect the services provided. To that end, RCA agrees to only submit claims for services provided for which RCA possesses sufficient documentation to support such claims and will implement policies to ensure that the underlying issues that caused or contributed to the Covered Conduct will be appropriately addressed and thereby not repeated.

(6) The parties agree that this Settlement Agreement is intended to be a final resolution of all issues arising out of the Covered Conduct, referenced above, including MFD’s review, and is intended by each party to release the other party and its representatives from liability arising out of the Covered Conduct, including MFD’s review, unless MFD is mandated to act by federal or State law, or mandated by order or judgment of a court or administrative agency (other than MFD).

(7) Nothing in this Settlement Agreement waives the rights of any other state or federal agency, including, among others, the New Jersey Office of Attorney General, from continuing with a pending or beginning a future civil or criminal investigation or other action for alleged conduct concerning RCA or from taking any action for such conduct. Nothing in this Settlement Agreement waives the rights of MFD to conduct an audit or investigation for the improper submission of any

claims or conduct not specifically covered by this Settlement Agreement, and to take any action for such conduct, subject to and as limited by applicable law.

(8) The terms of this Settlement Agreement may be modified only by a subsequent written agreement signed by all Parties.

(9) Subject to the express terms of this Settlement Agreement as provided for in paragraphs 1-8 above, by the signatures set forth below, the authorization of which is hereby affirmed, RCA and MFD agree to the following Release: in consideration of the provision hereof including this release, each party agrees to release the other party and its employees, representatives, officers and directors from liability, obligations, and damages arising out of the Covered Conduct and MFD's review.

(10) Nothing herein shall constitute an admission, concession, waiver, or finding of wrongdoing or liability by any party.

(11) This Settlement Agreement shall be construed, enforced, and governed by the laws of the State of New Jersey.

(12) This Settlement Agreement may be executed in Counterparts.

(13) This Settlement Agreement is effective upon the Effective Date reflected on the first page of the Settlement Agreement.

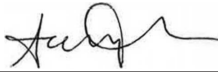
This Settlement Agreement sets forth the entire agreement between and among the parties hereto with respect to the claims described herein and supersedes any other written or oral understanding. This Settlement Agreement does not reflect any other terms or conditions or agreements between or among the parties with respect to any other matter.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto, on the following page, have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

**5034 Atlantic Avenue OPCO LLC**

DATE: 10-31-24

By:   
Sergio Cruz, Individually and as authorized signatory for  
5034 Atlantic Avenue OPCO LLC,  
d/b/a Recovery Centers of America at Raritan Bay, d/b/a Recovery Centers of America at Lighthouse, d/b/a Recovery Centers of America at Lighthouse at Voorhees

DATE:

By: Brian Rath  
Brian Rath, Esq.  
Attorney for 5034 Atlantic Avenue OPCO LLC, d/b/a Recovery Centers of America at Raritan Bay, d/b/a Recovery Centers of America at Lighthouse, d/b/a Recovery Centers of America at Lighthouse at Voorhees

**KEVIN D. WALSH  
ACTING STATE COMPTROLLER**

DATE: 11.4.24

By:   
Josh Lichtblau, Director  
Medicaid Fraud Division

DATE: 11.4.24

By:   
Justin Berardo, Assistant Division Director  
Medicaid Fraud Division

DATE: 11.4.24

By: *Kathleen Kurek*  
Kathleen Kurek  
Regulatory Officer  
Medicaid Fraud Division