

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE is entered into this 7th day of April, 2020 (“Effective Date”) by and between ALLCARE Pharmacy, Christina Bekhit and Negy Bekhit (collectively referred to hereinafter as “ALLCARE Pharmacy” or “you”), represented by Angelo J. Cifaldi, Esquire of Wilentz, Goldman and Spitzer, PA and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). ALLCARE Pharmacy and MFD are hereinafter collectively referred to as the "Parties" and each individually as a “Party.”

WHEREAS, MFD conducted a pharmacy inventory analysis (“Inventory Analysis”) and found that during the period of review between December 1, 2015, and September 1, 2016, ALLCARE Pharmacy submitted claims for pharmaceutical products provided to Medicaid patients that could not be supported by wholesaler invoices (hereinafter referred to as the “Covered Conduct”); and

WHEREAS, MFD issued a Notice of Claim, Notice of Withhold and Certificate of Debt in the matter on January 9, 2019; and

WHEREAS, a portion of funds that otherwise would have been payable to ALLCARE Pharmacy have been held as part of the withhold (“Withheld Funds”); and

WHEREAS, ALLCARE Pharmacy submitted documentation to MFD to support a number of the discrepant claims along with facts and information that it maintained would reduce the overpayment amount; and

WHEREAS, MFD took into consideration additional documentation, facts, and information that ALLCARE Pharmacy supplied; 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) ALLCARE Pharmacy agrees to pay restitution to the Medicaid program in the amount of One Hundred Fifteen Thousand Dollars (\$115,000) within six months of the execution of this Settlement Agreement (the "Total Payment Amount"). The payments are to be made by way of six (6) monthly payments on or before the last day of each month, starting May 1, 2020, as follows:

- | | | |
|------|-------------------|------------------|
| i. | May 1, 2020 | \$19,166.67; |
| ii. | June 1, 2020 | \$19,166.67; |
| iii. | July 1, 2020 | \$19,166.67; |
| iv. | August 1, 2020 | \$19,166.67; |
| v. | September 1, 2020 | \$19,166.66; and |
| vi. | October 1, 2020 | \$19,166.66. |

(2) Within five (5) days of execution of the Settlement Agreement, MFD shall notify DMAHS and each MCO to take the necessary steps as soon as practicable to terminate withholding of otherwise payable funds. The parties understand that the amount of the Withheld Funds cannot be determined until MFD has completed an accounting of such funds. MFD shall make all reasonable efforts to provide to ALLCARE Pharmacy an accounting of Withheld Funds no later

than ninety (90) days after the effective date of this Settlement Agreement. Given the current challenges brought about by COVID 19, the accounting may take longer than ninety (90) days, but will be provided as soon as practicable.

(3) The Withheld Funds shall be released to ALLCARE Pharmacy upon satisfaction of the Total Payment Amount.

(4) Nothing in this Settlement Agreement precludes ALLCARE Pharmacy from disputing the amount of the Withheld Funds by any means permitted by law.

(5) MFD will submit a revised Certificate of Debt against ALLCARE Pharmacy in the amount of \$115,000.00 to the Superior Court of New Jersey for filing as a judgment in this matter as soon as practicable. As soon as practicable after receipt of the Total Payment Amount from ALLCARE Pharmacy, 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 ALLCARE Pharmacy is satisfied and should be removed from the Court's docketed list of judgments. Due to the current COVID 19 challenges, including court closings, the steps outlined in this paragraph may take more time than usual to complete.

(6) 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

ALLCARE Pharmacy will include "ALLCARE Pharmacy – OSC-MFD" and "MFD-

" in the memo line so that it is properly credited.

(7) If payment as provided for in this Settlement Agreement is more than ten (10) days late, ALLCARE Pharmacy 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 ALLCARE Pharmacy not cure the default within five days of receiving notice of default, the Default Amount immediately will be collected through any means available to MFD as provided by law.

(8) ALLCARE Pharmacy agrees to act in full compliance with all applicable state and federal rules and regulations, including but not limited to submitting only claims that accurately and completely reflect the services provided and medications dispensed by ALLCARE Pharmacy. To that end, ALLCARE Pharmacy agrees that it will only submit claims for services provided and medications dispensed for which it possesses sufficient documentation to support such claims and that it 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.

(9) 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, and is intended by each party to release the other party and its representatives from liability arising out of the Covered Conduct, 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).

(10) Nothing in this Settlement Agreement waives the rights of any other state or federal agency, including, among others, the New Jersey Division of Criminal Justice, from continuing with a pending or beginning a future civil or criminal investigation or other action for alleged conduct concerning ALLCARE Pharmacy or from taking any action for such conduct. Nothing in

this Settlement Agreement waives the rights of MFD to conduct an audit or investigation of prior or future years for the improper submission of any claims or conduct not specifically covered by this agreement, and to take any action civilly or criminally for such conduct.

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

(12) Subject to the express terms of this Settlement Agreement as provided for in paragraphs 1-11 above, by the signatures set forth below, the authorization of which is hereby affirmed, ALLCARE Pharmacy 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 submission by, and payments to, ALLCARE Pharmacy of any and all claims for reimbursement by Medicaid or the Medicaid Managed Care Program for the Covered Conduct, referenced above.

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

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

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

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


(17) 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.

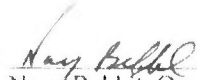
IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto on the following page have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

DATE: 4/2/2020

By: 
Christina Bekhit, Owner
ALLCARE Pharmacy

DATE: 4/2/2020

By: 
Negy Bekhit, Owner
ALLCARE Pharmacy

DATE:

By: 
Angelo J. Cifaldi, Esq.
Attorney for ALLCARE Pharmacy

KEVIN D. WALSH
ACTING STATE COMPTROLLER

DATE:

By: _____
Josh Lichtblau, Director
Office of the State Comptroller
Medicaid Fraud Division

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DATE: By: _____
Christina Bekhit , Owner
ALLCARE Pharmacy

DATE: By: _____
Negy Bekhit, Owner
ALLCARE Pharmacy

DATE: By: _____
Angelo J. Cifaldi, Esq.
Attorney for ALLCARE Pharmacy

KEVIN D. WALSH
ACTING STATE COMPTROLLER

DATE: 4/7/2020 By: s/ Josh Lichtblau
Josh Lichtblau, Director
Office of the State Comptroller
Medicaid Fraud Division

DATE: 4/7/2020

By: s/ Don Catinello
Don Catinello
Supervising Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division

DATE: 4/7/2020

By: s/ Justin Berardo
Justin Berardo, Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division