

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE ("Settlement Agreement") is entered into this 27th day of April, 2017 ("Effective Date") by and between MICHAEL BLEIMAN, M.D., and SOUTHERN OCEAN PEDIATRICS AND FAMILY MEDICINE LLC ("SOPFM"), (hereinafter collectively referred to as "SOPFM") represented by Svetlana Ros, Esq., of Kern Augustine, P.C. and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION ("MFD"). SOPFM and MFD may hereinafter collectively be referred to as the "Parties" and each individually as a "Party."

WHEREAS, the New Jersey Department of Health (DOH), the New Jersey Board of Medical Examiners (BME), and MFD conducted investigations into Michael Bleiman, M.D., and/or Southern Ocean Pediatrics and Family Medicine, LLC's failure to comply, from on or about November 1, 2014 through October 31, 2016, with the requirements of the Vaccines for Children Program (hereinafter "VFC"), a Federal program that provides vaccines at no cost to VFC-enrolled providers, for administration to eligible children; and

WHEREAS, pursuant to N.J.A.C. 10:49-11.1, on January 27, 2017, MFD issued Notices of Temporary Suspension from the Medicaid Program to Michael Bleiman, M.D., and Southern Ocean Pediatrics and Family Medicine, LLC, pending the investigations undertaken by DOH, BME, and MFD; and

WHEREAS, DOH determined that SOPFM exposed VFC-supplied vaccines to out of range temperatures, contrary to VFC laws, agreements and training, potentially compromising the viability of the vaccines; and

WHEREAS, DOH determined that SOPFM had entered vaccine temperature readings into the New Jersey Inventory, Order and Distribution System ("IMODS"), a module of the New Jersey Immunization Information System ("NJIS"), which were inconsistent with the handwritten temperature logs prepared by SOPFM; and

WHEREAS, DOH determined that for the period of on or about November 2014 through on or about October 2016, Medicaid recipients received potentially compromised vaccines administered by SOPFM; and

WHEREAS, MFD determined that during the period when SOPFM may have administered potentially compromised vaccines, SOPFM's actions resulted in the Medicaid program having made overpayments to SOPFM in the amount of \$12,233.24 for administration of potentially compromised vaccines and \$25,528.97 for related pediatric office visits; and

WHEREAS, SOPFM maintains that there has been no further evidence that VFC-supplied vaccines were compromised; and

WHEREAS, MFD determined that SOPFM had knowledge that VFC-supplied vaccines administered to Medicaid beneficiaries should not have been billed to and reimbursed by the Medicaid program; and that notwithstanding that, SOPFM billed and was reimbursed by Medicaid for VFC-supplied vaccines in the amount of \$2,647.61, in violation of N.J.A.C. 10:49-5.5 and 42 CFR 441.615(a). On that basis, MFD has assessed civil penalties against SOPFM in the amount of \$110,000, pursuant to N.J.S.A. 30:4D-17(e); and

WHEREAS, MFD determined that for a number of days of hospital inpatient care, SOPFM improperly billed Medicaid utilizing the code for the initial day of hospital inpatient care rather than the correct code for subsequent days of care in violation of N.J.A.C. 10:49-9.8, resulting in a Medicaid overpayment in the amount of \$5,810.40; and

WHEREAS, for purposes of this Settlement Agreement, MFD's determinations from its investigation constitute the conduct that forms the basis for this Settlement Agreement (collectively this is referred to as the "Covered Conduct"); and

WHEREAS, MFD determined that, based on the Covered Conduct, SOPFM received overpayments from the Medicaid program; and

WHEREAS, SOPFM has taken steps to address the Covered Conduct and ensure that the problems identified in MFD's investigation are not repeated; and

WHEREAS, the Parties desire to amicably resolve all disputes between them giving rise to the Covered Conduct and have reached a mutually acceptable resolution;

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) SOPFM agrees to pay to MFD the sum of One Hundred Fifty-Six Thousand Two Hundred Twenty Dollars and Twenty-Two Cents (\$156,220.22) as follows:

- a. A payment of One Hundred Thousand Dollars (\$100,000) on or before June 1, 2017; and
- b. Seven (7) consecutive monthly payments of Seven Thousand Twenty-Five Dollars (\$7,025) on or before the 1st of each month, from July 1, 2017 through January 1, 2018; and
- c. A final payment of Seven Thousand Forty-Five Dollars and Twenty-Two Cents (\$7,045.22) on or before February 1, 2018.

(2) Payment 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

“Dr. Michael Bleiman/Southern Ocean Pediatrics and Family Medicine, LLC – OSC/MFD” must be included in the memo line so that payment is properly credited.

(3) If the payment provided for in this Settlement Agreement is more than ten (10) days late, SOPFM will be in default of this Settlement Agreement and the outstanding and unpaid balance will immediately become due and collected through any means available to MFD as provided by law.

(4) As of the effective date of this settlement agreement, MFD will lift the temporary suspensions from the Medicaid program against Michael Bleiman, M.D., and Southern Ocean Pediatrics and Family Medicine, LLC. N.J.A.C. 10:49-12.2 sets forth the requirements for reinstatement.

(5) SOPFM identified to MFD newly implemented internal controls intended to redress the conduct described above in a proper and timely manner. Going forward, SOPFM will actively oversee the administration of the office and take remedial action to ensure compliance with Medicaid law. SOPFM will also ensure accurate record keeping in the future by, among other means, using an updated Electronic Medical Record Software, which has already been implemented in his office. Additionally, SOPFM purchased and installed digital thermometers that continuously track and record temperatures at set time intervals and have built in alarms which activate if the temperatures go out of range.

(6) The Parties agree that this Settlement Agreement is intended to be a final resolution of all issues arising out of the Covered Conduct, and is intended by each Party to

release the other Party and its representatives from any liability arising out of the Covered Conduct.

(7) 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 and Board of Medical Examiners, from continuing with a pending, if any, or beginning a future civil, administrative or criminal investigation or other action for alleged conduct concerning SOPFM 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 conduct outside of the Covered Conduct for any claims or conduct not specifically covered by this Settlement Agreement, and to take any action it deems appropriate to address such conduct.

(8) Subject to adherence to the express terms of this Settlement Agreement as provided for in paragraphs 1-7 above, by the signatures set forth below, the authorization of which is hereby affirmed, SOPFM 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 representatives from liability, obligations and damages arising out of the Covered Conduct.

(9) Nothing herein shall constitute an admission, concession, or finding of liability by any Party.

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

(11) This Settlement Agreement may be executed in counterparts.

(12) This Settlement Agreement is effective upon the last date it is executed by the Parties hereto.

(13) This Settlement Agreement sets forth the entire agreement between and among the Parties hereto with respect to the covered conduct and supersedes any other written or oral understandings. This Settlement Agreement does not reflect any other terms or conditions or agreements between or among the Parties with respect to any other matter.

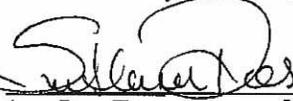
IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

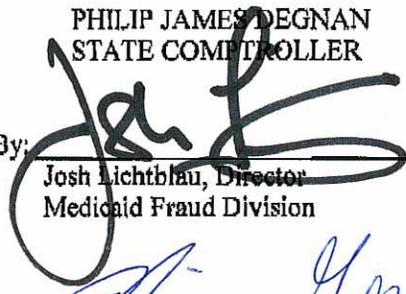
DATE: 4/27/17

By: 
Michael Bleiman, M.D., Individually
and on behalf of Southern Ocean
Pediatrics & Family Medicine, LLC

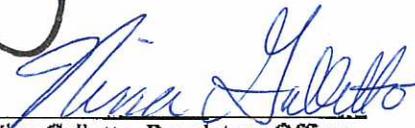
DATE: 4/27/17

By: 
Svetlana Ros, Esq., Attorney for
Michael Bleiman, M.D., and Southern
Ocean Pediatrics & Family Medicine, LLC

DATE: 4/27/17

PHILIP JAMES DEGNAN
STATE COMPTROLLER
By: 
Josh Lichtblau, Director
Medicaid Fraud Division

DATE: 4/27/17

By: 
Nina Galletto, Regulatory Officer
Medicaid Fraud Division