

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE is entered into this ___ day of December, 2018 (“Effective Date”) by and between CHERRY HILL WOMEN’S CENTER, INC., (hereinafter referred to as “CHWC”), represented by Gregory R. Smith, Esq., and Andrew Blustein, Esq, of Garfunkel Wild, P.C. and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). CHWC and MFD are hereinafter collectively referred to as the "Parties" and each individually as a “Party.”

WHEREAS, MFD investigated CHWC and determined that between April 1, 2011 through April 30, 2015, CHWC submitted for reimbursement claims that were not supported by required clinical documentation, including claims for psychotherapy services for which time was not documented, as required by the CPT code, and claims for abortion services where the CPT code billed did not describe the procedure performed, in violation of N.J.S.A. 30:4D-12, N.J.A.C. 10:49-9.8, N.J.A.C. 10:54-9.1 (hereafter, the time period and conduct is referred to as the “Covered Conduct”), resulting in CHWC receiving overpayments from the Medicaid Program; and

WHEREAS, on January 26, 2018, MFD issued a Notice of Intent against CHWC seeking recovery for overpayments from the Medicaid Program for the Covered Conduct referenced above; and

WHEREAS, CHWC has asserted that all services for which CHWC submitted claims to be paid by Medicaid program funds were performed and properly supported by documentation; and

WHEREAS, MFD took into consideration the documentation, facts and information that CHWC supplied; 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 of the controversies that exist between them;

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) CHWC agrees to pay restitution to the Medicaid program in the sum of Five Hundred Thousand Dollars (\$500,000), on or before December 16, 2018, which funds constitute a repayment and not a penalty or fine.

(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

CHWC will include "Cherry Hill Women's Center – OSC-MFD" in the memo line so that it is properly credited.

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

(4) CHWC 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. To that end, CHWC agrees that it will only submit claims for services provided 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.

(5) The parties agree that this Settlement Agreement is intended to be without prejudice to all remaining claims, rights and remedies against CHWC, and is without prejudice to any defenses that CHWC, its officers, directors, successors or assigns may raise with respect to claims of any nature that may be raised by MFD or any other state or federal agency.

(6) 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 CHWC 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.

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

(8) Subject 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, CHWC 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, CHWC of any and all claims for reimbursement by Medicaid or the Medicaid Managed Care Program for the Covered Conduct, referenced above.

(9) Nothing herein shall constitute an admission, concession or finding of wrongdoing or 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 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: 12/3/2018

By: Elizabeth Barnes
Elizabeth Barnes, President
Cherry Hill Women's Center

DATE: 12/5/2018

By: Andrew Blustein
Andrew Blustein, Esq.
Attorney for
Cherry Hill Women's Center

PHILIP JAMES DEGNAN
STATE COMPTROLLER

DATE: 12/11/18

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

DATE: 12/11/18

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

DATE: 12/10/18

By: Justin D. Berardo
Justin D. Berardo, Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division