

## SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE is entered into this 20th day of November, 2018 (“Effective Date”) by and between Health Fair Pharmacy and Venkata Raju, respectively (hereinafter collectively referred to as “Health Fair Pharmacy”), represented by Angelo J. Cifaldi, Esq. of Wilentz, Goldman and Spitzer, PA and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). Health Fair 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 alleged that during the period of review between December 1, 2012 through June 3, 2016, Health Fair Pharmacy submitted a total of 632 claims for pharmaceutical products provided to Medicaid patients that could not be supported by wholesaler invoices for an overpayment amount of \$131,333.99 (this scope and period is hereafter referred to as “Covered Conduct”); and

WHEREAS, Health Fair Pharmacy supplied documentation to support some of the discrepant claims thereby reducing the overpayment amount;

WHEREAS, the parties have agreed that Health Fair Pharmacy should be given credit in the amount of \$24,233.56, which reduced the overpayment amount to \$107,100.43; and

WHEREAS, a temporary suspension of Medicaid payments to Health Fair Pharmacy was imposed, pursuant to 42 CFR 455.23, resulting in an accrual of Medicaid payment funds by Molina and Managed Care Organizations; and

WHEREAS, the parties desire to amicably resolve the dispute between them giving rise to 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) Health Fair Pharmacy agrees to pay restitution to the Medicaid program in the sum of One Hundred Seven Thousand One Hundred Dollars and Forty-Three Cents (\$107,100.43);

(2) Health Fair Pharmacy agrees to allow MFD to apply withheld funds as part of the settlement of this matter and MFD agrees that the withheld funds will be applied toward the settlement amount set forth in paragraph (1). Once the withheld funds have been adjudicated, MFD agrees to provide Health Fair Pharmacy with an amended payment schedule that will reflect adjustments made to the adjudicated withheld funds. Any withheld funds in excess of the settlement amount set forth in paragraph (1) will be released to Health Fair Pharmacy.

(3) Health Fair Pharmacy agrees to pay any remaining portion of the settlement amount set forth in paragraph (1) should the withheld funds not be sufficient. Payment of this balance will be made within ten (10) days of notification by MFD that the withheld funds are insufficient. 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

Health Fair Pharmacy will include "Health Fair Pharmacy – OSC-MFD" and "MFD-

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

(4) Health Fair 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 Health Fair Pharmacy. To that end, Health Fair 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.

(5) The parties agree that this Settlement Agreement is intended to be without prejudice to all remaining claims, rights and remedies against Health Fair Pharmacy, and is without prejudice to any defenses that Health Fair Pharmacy, 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 Health Fair 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.

(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, Health Fair 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, Health Fair Pharmacy 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.

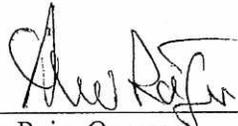
(12) This Settlement Agreement is effective upon the last date it is executed by the parties hereto.

(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.

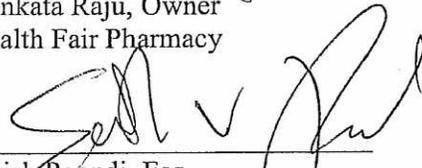
IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto on the following page have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

DATE: 10/31/18

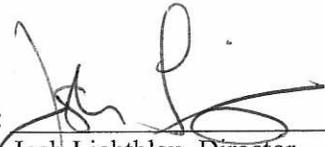
By:   
Venkata Raju, Owner  
Health Fair Pharmacy

DATE: 11/5/2018

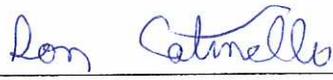
By:   
Satish Poondi, Esq.  
Attorney for Health Fair Pharmacy

PHILIP JAMES DEGNAN  
STATE COMPTROLLER

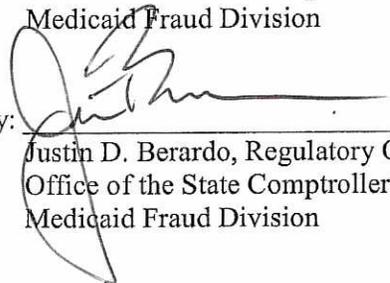
DATE: 11/20/18

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

DATE: 11/20/18

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

DATE: 11/20/18

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