

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE "Settlement Agreement" is entered into this 20th day of November, 2019 ("Effective Date") by and between STS Speech Therapy, LLC and Baila Stein (hereinafter collectively referred to as "STS"), represented by Aidan O'Connor and Andrew Bayer of Pashman Stein Walder Hayden, P.C., and the State of New Jersey, Office of the State Comptroller, Medicaid Fraud Division ("MFD"). STS and MFD are hereinafter collectively referred to as the "Parties" and each individually as a "Party."

WHEREAS, MFD conducted an audit and found that during the period of review between January 1, 2013 and December 31, 2017, STS was reimbursed by the Division of Medical Assistance and Health Services ("DMAHS") and/or its fiscal agent and/or the Managed Care Organizations ("MCO") for claims for Current Procedural Terminology ("CPT") codes 97532, 97533, 92507 and/or 92526, that could not be supported by documentation, in violation of N.J.S.A. 30:4D-12(d), N.J.A.C. 10:49-9.8, N.J.A.C. 10:49-5.5a(17), and N.J.A.C. 13:44C-8.1, and for improperly billing CPT code 92507 in conjunction with 97532 and/or 97533 for the same session for the same recipient in violation of UnitedHealthcare Community Plan's Reimbursement Policies and the Centers for Medicare & Medicaid Services National Correct Coding Initiative Policy Manual for Medicaid Services, Chapter 11, Section H (this scope and period is hereafter referred to as the "Covered Conduct"); and

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

WHEREAS, MFD issued a Notice of Claim, Notice of Withholding and Certificate of Debt in this matter dated May 7, 2019; and

WHEREAS, STS disputes the Notice of Claim, Notice of Withholding and Certificate of Debt issued by MFD;

WHEREAS, pursuant to the Notice of Withholding, DMAHS and/or the MCOs have withheld funds otherwise payable to STS (the “Withheld Funds”); and

WHEREAS, the Parties understand that the Withheld Funds cannot be determined until MFD has completed an accounting of such funds; and

WHEREAS, STS supplied MFD with facts, information and additional documentation that it maintained eliminated and/or reduced the overpayment amount; and

WHEREAS, MFD took into consideration the additional facts and information that STS 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) STS agrees to pay the Medicaid program the total amount of One Hundred Ninety Thousand Dollars (\$190,000.00) (the “Total Payment Amount”) in six monthly installments, starting on or before December 1, 2019, as follows:

- | | | |
|----|------------------|---------------|
| a. | December 1, 2019 | \$32,000; |
| b. | January 1, 2020 | \$31,600; |
| c. | February 1, 2020 | \$31,600; |
| d. | March 1, 2020 | \$31,600; |
| e. | April 1, 2020 | \$31,600; and |

f. May 1, 2020 \$31,600.

(2) The Parties understand that the Withheld Funds cannot be determined until MFD has completed an accounting of such funds. Within seven (7) days of execution of this Settlement Agreement, MFD shall notify DMAHS and each MCO to immediately take the necessary steps to terminate the withholding of funds. MFD shall make all reasonable efforts to provide to STS an accounting of the Withheld Funds no later than sixty (60) days after the Effective Date of this Settlement Agreement. The Withheld Funds shall be released to STS upon full payment of the Total Payment Amount.

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

(4) Within seven (7) business days of receipt of the Total Payment Amount from STS, 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 STS is fully satisfied and should be removed from the Court's docketed list of judgments.

(5) Payment to MFD shall be made 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

STS will include "[REDACTED]" in the memo line to ensure it is properly credited.

(6) If any payment as provided for in this Settlement Agreement is more than ten (10) days late (an “Event of Default”), STS will be in default of this Settlement Agreement and the remaining unpaid balance of the Settlement Agreement, plus interest, accruing from the date of Event of Default will immediately become due (the “Default Amount”) and collected through any means available to MFD as provided by law, and STS agrees to release the Withheld Funds to MFD up to the Default Amount.

(7) STS 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 by STS. To that end, STS agrees that it will only submit claims for goods/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 and thereby not repeated.

(8) 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 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).

(9) 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 STS 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 Settlement Agreement, and to take any action civilly or criminally for such conduct. Nothing in this Settlement Agreement waives the rights of STS to assert any rights, remedies or defenses not expressly released in this Settlement Agreement, all of which are expressly reserved.

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

(11) Subject to the express terms of this Settlement Agreement, by the signatures set forth below, the authorization of which is hereby affirmed, STS and MFD agree to the following Release: in consideration of the terms of this Settlement Agreement, 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, STS of any and all claims for reimbursement by Medicaid or the MCOs for the Covered Conduct, referenced above.

(12) Nothing herein shall constitute an admission, concession or finding of wrongdoing or liability by any Party. Neither this Settlement Agreement or its execution, nor the performance of any obligation arising under it, including payment of the Settlement Amount, nor the fact of settlement, is intended to be, or shall be understood as, an admission of liability or wrongdoing, or other expression relating on the merits of the dispute by any Party to this Settlement Agreement.

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

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

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

(16) 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 have executed the foregoing Settlement Agreement:

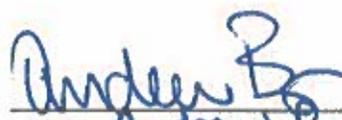
FORM AND CONTENT ACCEPTED AND AGREED TO BY:

STS SPEECH THERAPY LLC

DATE: 11/19/2019

By: 
Baila Stein, individually, and as
owner of STS Speech Therapy,
LLC

DATE: 11/19/19

By: 
Name: Andrew Bayer
Counsel to STS Speech
Therapy, LLC and Baila Stein

PHILIP JAMES DEGNAN
STATE COMPTROLLER

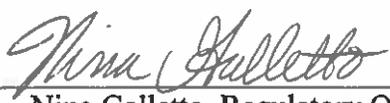
DATE: 11 / 20 / 2019

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

DATE: 11/20/19

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

DATE: 11/20/2019

By: 
Nina Galletto, Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division

DATE: 11/20/2019

By: 
Jillian Holmes, Regulatory Officer
Office of the State Comptroller
Medicaid Fraud Division