

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (“Settlement Agreement”) is entered into this 25th day of April, 2017 (“Effective Date”) by and between Horizon Healthcare of New Jersey, Inc. d/b/a Horizon NJ Health (hereinafter referred to as “Horizon”) and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). Horizon and MFD may hereinafter collectively be referred to as the "Parties" and each individually as a “Party.”

WHEREAS, MFD issued a Notice of Disqualification to Dr. Benjamin Sabido (“Dr. Sabido”) on February 4, 2015 based upon action taken by the United States District Court, District of New Jersey; MFD issued an additional Notice of Disqualification to Dr. Benjamin Sabido on March 12, 2015 based upon the decision of the Office of Inspector General, United States Department of Health and Human Services, to exclude Dr. Sabido from participation in reimbursement under Medicare, Medicaid, and all other federal healthcare programs under the Social Security Act. As a result of the actions taken, MFD excluded Dr. Sabido from participation in any capacity in the NJ Medicaid and Family Care programs and added his name to New Jersey’s Medicaid debarment list. On March 18, 2015, MFD notified Horizon via electronic mail about its exclusion of Dr. Sabido and included copies of the two prior notices to Dr. Sabido, which contained NPI numbers associated with Dr. Sabido.

WHEREAS, on or around March 29, 2015, Horizon terminated Dr. Sabido’s individual NPI number in its system, which became effective on or around April 17, 2015.

WHEREAS, on numerous occasions beginning in May 2016, MFD advised Horizon that Horizon was continuing to pay claims to groups with NPI numbers associated with Dr. Sabido, where another non-debarred doctor was listed as the servicing provider.

WHEREAS, despite assurances from Horizon that it had updated its provider records to exclude Dr. Sabido, Horizon continued to pay claims on an ongoing basis to group NPI numbers associated with Dr. Sabido, where another, non-debarred doctor was listed as the servicing provider, through December 26, 2016.

WHEREAS, from March 18, 2015 through December 26, 2016, Horizon paid a total of \$478,206.06 for claims connected to group NPI numbers associated with Dr. Sabido.

WHEREAS, MFD asserted that Horizon's actions set forth above (collectively, the "Covered Conduct") were in violation of N.J.A.C. 10:49-11.1 and Horizon's contract with the State Medicaid Agency.

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) Horizon agrees to pay to MFD the sum of Nine Hundred Fifty Thousand Dollars (\$950,000.00) as follows:

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 within 30 days of the execution of this agreement as follows:

Attention: Processing Bureau
Treasurer, State of New Jersey
Division of Revenue
200 Woolverton Street, Building 20
Lockbox 656
Trenton, New Jersey 08646

“Horizon – Dr. Benjamin Sabido – OSC-MFD” must be included in the memo line so that payment is properly credited.

(2) If the payment provided for in this Settlement Agreement is more than ten (10) days late, Horizon 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.

(3) Horizon agrees that upon MFD placing a provider on its exclusion list or Horizon discovering same prior to receiving notice from MFD, and/or MFD notifying Horizon that a provider has been excluded or that payments to a provider should be suspended, Horizon will, within ten (10) days of receiving notification, take action to ensure that the provider is excluded, or that his/her payments are suspended as appropriate, from any of its networks servicing NJ Medicaid or Family Care beneficiaries. In furtherance of this requirement, Horizon agrees that it will stop payment on any and all claims associated in any capacity with the excluded/payment suspended provider. MFD will make good faith efforts to include provider identifiers (e.g. NPI and tax identification numbers) that are known to MFD at the time of the notice being sent to Horizon. Even if MFD fails to set forth all NPI or tax identification numbers for a provider, Horizon is still obligated to take the actions set forth above to exclude the provider.

(4) On February 15, 2017 Horizon identified to MFD individuals who have access to Horizon’s provider systems who will be accountable for confirming that all of the actions described above have been taken in a proper and timely manner. Going forward, notices shall be supplied to the identified individuals. Horizon shall advise MFD if the individuals designated are changed.

(5) 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.

(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, if any, or beginning a future civil, administrative or criminal investigation or other action for alleged conduct concerning Horizon 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.

(7) Subject to adherence to the express terms of this Settlement Agreement as provided for in paragraphs 1-6 above, by the signatures set forth below, the authorization of which is hereby affirmed, Horizon 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.

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

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

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

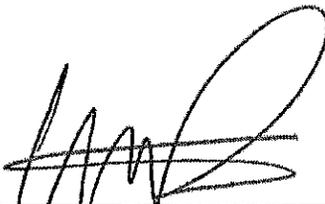
(11) This Settlement Agreement is effective upon the last date it is executed by the Parties hereto.

(12) 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:

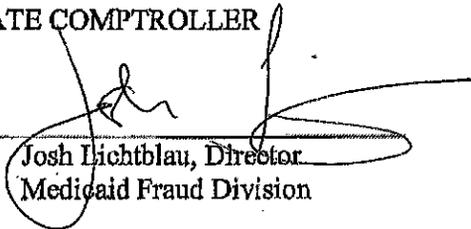
DATE: 4/24/17

By: 
Edward H.L. Preitauer
President, Horizon NJ Health
SVP, Government Programs



PHILIP JAMES DEGNAN
STATE COMPTROLLER

DATE: 4/25/2017

By: 
Josh Lichtblau, Director
Medicaid Fraud Division

DATE: 4/25/17

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