

## SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE is entered into this 27th day of March, 2019 (“Effective Date”) by and between Mr. Chandrakant Patel and Family Pharmacy, Inc., d/b/a Family Pharmacy (hereinafter collectively referred to as “Family Pharmacy”), represented by Angelo J. Cifaldi, Esquire of Wilentz, Goldman and Spitzer, PA and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). Family 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 April 1, 2012 through April 30, 2017, Family Pharmacy submitted a total of 5,500 claims for pharmaceutical products provided to Medicaid patients that could not be supported by wholesaler invoices for an overpayment amount of \$255,137.90 (herein after referred to as the “Covered Conduct”); and

WHEREAS, MFD issued a Notice of Claim and Certificate of Debt in the matter on October 16, 2017; and

WHEREAS, Family Pharmacy supplied documentation to support some of the discrepant claims along with facts and information that it maintained would reduce the overpayment amount; and

WHEREAS, MFD took into consideration the additional documentation, facts and information that Family Pharmacy 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) Family Pharmacy agrees to pay restitution to the Medicaid program in the amount of Twenty Seven Thousand Dollars (\$27,000.00) within thirty (30) days of the execution of this Settlement Agreement (the "Total Payment Amount"). Within five (5) days of execution of this Settlement Agreement, MFD shall notify DMAHS and each Medicaid Managed Care Organizations ("MCO") to immediately take the necessary steps to terminate withholding of otherwise payable funds.

(2) "Withheld Funds" refers to the monies withheld by DMAHS or the MCOs of otherwise payable claims to Family Pharmacy during the period of withholding. The parties understand that the Withheld Funds cannot be determined until MFD has completed an accounting of such funds. MFD shall make all reasonable efforts to provide to Family Pharmacy an accounting of Withheld Funds no later than sixty (60) days after the effective date of this Settlement Agreement.

(3) The Withheld Funds shall not be released to Family Pharmacy before satisfaction of the Total Payment Amount.

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

(5) Within seven (7) business days of receipt of the final payment from Family Pharmacy, 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 Family Pharmacy is satisfied and should be removed from the Court's docketed list of judgments.

(6) 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

Family Pharmacy will include "Family Pharmacy – OSC-MFD" and "[REDACTED]" in the memo line so that it is properly credited.

(7) If payment as provided for in this Settlement Agreement is more than ten (10) days late, Family Pharmacy will be in default of this Settlement Agreement and the total unpaid balance, \$27,000.00, plus interest, will immediately become due and collected through any means available to MFD as provided by law.

(8) Family 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 Family Pharmacy. To that end, Family 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 and thereby not repeated.

(9) The parties agree that this Settlement Agreement is intended to be without prejudice to all remaining claims, rights and remedies against Family Pharmacy, and is without

prejudice to any defenses that Family 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.

(10) 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 Family 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.

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

(12) Subject to the express terms of this Settlement Agreement as provided for in paragraphs 1-11 above, by the signatures set forth below, the authorization of which is hereby affirmed, Family 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, Family Pharmacy of any and all claims for reimbursement by Medicaid or the Medicaid Managed Care Program for the Covered Conduct, referenced above.

(13) Nothing herein shall constitute an admission, concession or finding of wrongdoing or liability by any party.

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

(15) This Settlement Agreement may be executed in Counterparts.


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

(17) 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.

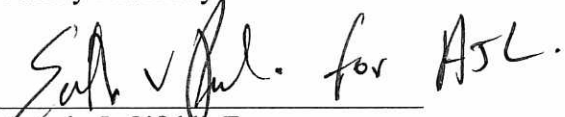
IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto on the following page have executed the foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

DATE: 3/15/19


By:   
Chandrakant Patel, Owner  
Family Pharmacy

DATE:

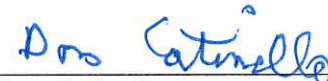
By:  for ASL.  
Angelo J. Cifaldi, Esq.  
Attorney for Family Pharmacy

PHILIP JAMES DEGNAN  
STATE COMPTROLLER


DATE: 3/27/19

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

DATE: 3/27/19

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

DATE: 3/27/19

By:   
Siobhan B. Krier, Regulatory Officer  
Office of the State Comptroller  
Medicaid Fraud Division