

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (“Settlement Agreement”) is entered into on this 18th day of September, 2017 (“Effective Date”) by and between Michael D. Nathan, D.O. (d/b/a Michael D. Nathan, D.O., [REDACTED], [REDACTED]), respectively (hereinafter collectively referred to as “Dr. Nathan”), represented by Lee Vartan, Esq. of Chiesa, Shahinian & Giantomaso PC and the STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). Dr. Nathan and MFD are hereinafter collectively referred to as the “Parties” and each individually as a “Party.”

WHEREAS, MFD conducted an investigation into claims submitted by Dr. Nathan during the period of January 1, 2012 to March 30, 2017, for which Medicaid paid a total of \$1,429,422.82, and found claims for Evaluation and Management visits that were not supported by the documentation in Dr. Nathan’s records and which were used incorrectly to bill for preventive visits, contrary to N.J.S.A. 30:4D-12, N.J.A.C. 10:49-9.8 and N.J.A.C. 10:54-9.1 (the “Covered Conduct”);

WHEREAS, MFD determined that, based on the Covered Conduct, Dr. Nathan has received overpayments from the Medicaid program;

WHEREAS, in 2016, MFD instituted a withholding of Medicaid reimbursements against Dr. Nathan based on a credible allegation of fraud causing all Medicaid claims submitted by Dr. Nathan that were processed between October 28, 2016 to the present, totaling \$220,000, to be held in a pend file (the “Withheld Funds”);

WHEREAS, notwithstanding the allegations in the above paragraphs, Dr. Nathan does not admit that he incorrectly billed the Medicaid program, violated any statute or regulation, committed the Covered Conduct, or committed any fraud on the Medicaid program; 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) Dr. Nathan agrees to pay MFD the total sum of Four Hundred Eighty Thousand Dollars (\$480,000):

a. Dr. Nathan agrees to pay MFD Two Hundred Sixty Thousand Dollars (\$260,000) upon execution of this Settlement Agreement.

b. Payment of the \$260,000 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

Please include "Dr. Nathan – [REDACTED]" in the memo line so that the payment is properly credited.

c. Dr. Nathan waives and relinquishes all rights or claims to the \$220,000 comprising the Withheld Funds and agrees to allow MD to obtain such funds as part of the settlement of this matter.

d. Upon verification that a check in the amount of \$260,000 consistent with paragraph 1(b) of this Settlement Agreement has been issued, MFD will take the necessary steps to have the Certificate of Debt in this matter removed. For any costs not paid in full by September 30, 2017, an amended Certificate of Debt reflecting that amount shall be filed pursuant to N.J.S.A. 45:1-24 to protect the judgment.

e. If the amount of Withheld Funds is greater than \$220,000, MFD shall issue a refund payment to Dr. Nathan in the amount of the difference between the actual amount of the withheld funds and \$220,000 as soon as practicable.

(2) The Parties agree that this Settlement Agreement is intended to be the 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.

(3) Nothing in this Settlement Agreement waives the right of any other State or Federal agency, including but not limited to, the New Jersey Division of Criminal Justice, from continuing with a pending, if any, or beginning a future civil, administrative or criminal investigation of other action for alleged conduct concerning Dr. Nathan 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 future conduct (outside of the Covered Conduct) for the improper submission of any claims or conduct not specifically covered by this Settlement Agreement, and to take any action it deems appropriate to address such conduct.

(4) Subject to the express terms of this Settlement Agreement, as provided for in paragraphs **1-3** Above, by the signatures set forth below, the authorization of which is hereby affirmed, Dr. Nathan 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.

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

(6) Upon payment in full of the \$260,000, MFD will lift the Medicaid payment suspension on Dr. Nathan.

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

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

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

(10) 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 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 forgoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

DATE:

By:



Dr. Michael Nathan, Individually and
on behalf of Michael D. Nathan, D.O.

DATE:

By:

Lee Vartan, Esq.
Attorney for Dr. Nathan

PHILLIP JAMES DEGNAN
STATE COMROLLER

DATE:

By:

Josh Lichtblau,
Director
Medicaid Fraud Division

DATE:

By:

Don Catinello,
Supervising Regulatory Officer
Medicaid Fraud Division

DATE:

By:

Siobhan B. Krier,
Regulatory Officer
Medicaid Fraud Division

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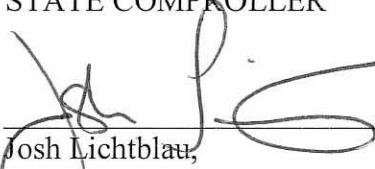
By:

Lee Vartan, Esq.
Attorney for Dr. Nathan

DATE:

9/19/17

By:

PHILLIP JAMES DEGNAN
STATE COMROLLER

Josh Lichtblau,
Director
Medicaid Fraud Division

DATE:

9/18/17

By:

Don Catinello

Don Catinello,
Supervising Regulatory Officer
Medicaid Fraud Division

DATE:

9/19/17

By:

Siobhan B. Krier

Siobhan B. Krier,
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Medicaid Fraud Division