

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

THIS SETTLEMENT AGREEMENT AND MUTUAL RELEASE (Settlement Agreement”) is entered into on this _____ day of October, 2016 (“Effective Date”) by and between Judith and Mansour Etemadipour, North End Family Care, Inc., its owners, officers, directors, successors, and assigns, located at 644 Mt. Prospect Avenue, Newark, NJ 07104, respectively (hereinafter collectively referred to as “North End”) and STATE OF NEW JERSEY, OFFICE OF THE STATE COMPTROLLER, MEDICAID FRAUD DIVISION (“MFD”). North End and MFD may hereinafter collectively be referred to as the “Parties” and each individually as a “Party.”

WHEREAS MFD investigated North End and determined that between July 24, 2009 and November 2014, North End received payments in excess of the amount payable under the New Jersey Medical Assistance and Health Services (NJ Medicaid) program as a result of North End having submitted non-reimbursable claims for services rendered by a practitioner who was disqualified from participation in New Jersey Medicaid/NJ FamilyCare, in violation of N.J.A.C. 10:49-11.1(b)(1)-(5); North End engaged in the professional practice of medicine by a corporation owned by non-licensees employing plenary licensed physician(s), in violation of N.J.A.C. 10:49-11.1(d)(7) and/or N.J.A.C. 13:35-6.16, thus received medical assistance payments which it was not eligible for or entitled to, in violation of N.J.S.A. 30:4D-17 and/or N.J.A.C. 10:49-3.1(b); North End failed to enroll in New Jersey Medicaid/NJ FamilyCare by completing a provider application, signing a provider agreement, by completing a Form CMS-1513, Ownership and Control Interest Disclosure Statement and/or providing the required disclosures on ownership and control, in violation of 42 C.F.R. 455.104 and/or N.J.A.C. 10:49-3.2; and, North End failed to prepare, maintain and/or produce professional treatment records documenting services, in violation of N.J.S.A. 30:4D-12, N.J.A.C. 10:49-9.8, N.J.A.C. 10:49-11.1(d)(7), N.J.A.C. 10:54-2.6, and/or N.J.A.C. 13:35-6.5(b) (hereafter collectively referred to as the “Covered Conduct”);

WHEREAS, MFD determined that, based on the Covered Conduct, North End received overpayments from the Division of Medical Assistance and Health Services and/or its fiscal agents and/or Managed Care Organizations;

WHEREAS, North End disputes MFD's determination and denies any civil wrongdoing in connection with the Covered Conduct;

WHEREAS, the parties desire to amicably resolve all disputes between them giving rise to the Covered Conduct and resulting overpayments 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. North End agrees to pay MFD the sum of Two Hundred Seventy Five Thousand Dollars (\$275,000), with \$35,000 of that amount due and owing on or before November 5, 2016, followed by twelve (12) monthly installments in the amount of \$20,000 each, due by the first of each month, until the amount is paid in full, with the final installment payment due no later than November 1, 2017, as follows:

November 5, 2016:	\$35,000
December 1, 2016:	\$20,000
January 1, 2017:	\$20,000
February 1, 2017:	\$20,000
March 1, 2017:	\$20,000
April 1, 2017:	\$20,000
May 1, 2017:	\$20,000
June 1, 2017:	\$20,000
July 1, 2017:	\$20,000
August 1, 2017:	\$20,000

September 1, 2017:	\$20,000
October 1, 2017:	\$20,000
November 1, 2017:	\$20,000

2. Payment shall be by certified check, bank check, or attorney trust check made payable to “Treasurer, State of New Jersey” and mailed to: Attn: Processing Bureau, Division of Revenue, 200 Woolverton Street, Bldg. 20, Lockbox 656, Trenton, New Jersey 08646. **North End Family Care, Inc.** and case number, [REDACTED] must be include in the memo line to ensure that payment is properly credited.

3. If the payments provided for in this Settlement Agreement are more than ten (10) days late, North End 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.

4. North End further agrees to accept and immediately implement the attached Corrective Action Plan.

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 liability arising out of the Covered Conduct, unless MFD is mandated by federal or state law or mandated by order or judgment of a court or administrative 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, if any, or beginning a future civil, administrative or criminal investigation or other action for alleged conduct concerning North End or from taking any action for such conduct.

Nothing in this Settlement Agreement waives the rights of MFD to conduct an audit or investigation into 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. Nothing in this Settlement Agreement waives any defense that North End may raise with regard to claims of any nature that may be raised by MFD or any other state or federal agency.

7. Subject to the express terms of this Settlement Agreement as provided for in the above paragraphs, by the signatures set forth below, the authorization of which is hereby affirmed, North End and MFD agree to the following release: In consideration of the provisions hereof including this release, each Party agrees to release the other Party and its representatives from liability, obligations and damages arising out 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 thereto.

12. 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 foregoing Settlement Agreement:

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

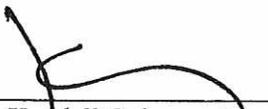
Date: October 21, 2016

By: 
Mansour Etemadipour, Owner, North End

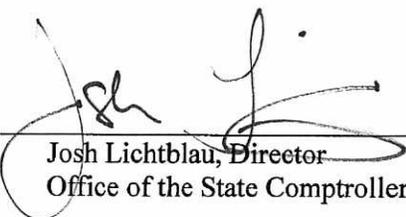
Date: October 21, 2016

By: 
Judith Etemadipour, Owner, North End

Date: October 21, 2016

By: 
Kendall Coleman, Esq.
Attorney for North End

Date: 10/24, 2016

By: 
Josh Lichtblau, Director
Office of the State Comptroller, MFD

Date: 10/24, 2016

By: 
Siobhan B. Krier, Regulatory Officer
Office of the State Comptroller, MFD

**Corrective Action Plan
North End Family Care, Inc.**


Period of Investigation:

Date Submitted to North End Family Care, Inc.: September 27, 2016.

Potential Errors: Claims totaling \$931,297.56

Corrective Action Discussion: The Office of the State Comptroller, Medicaid Fraud Division (“MFD”) conducted an investigation of North End Family Care, Inc. (“North End”) owned and operated by Judith and Mansour Etemadipour (hereinafter “the Etemadipours”). During the course of the investigation, MFD found multiple areas in which North End billed NJ Medicaid improperly. To address the financial issues raised by MFD’s Findings, the parties entered into a Settlement Agreement. This Corrective Action Plan (“CAP”) is being entered into in connection with and is operative as of the same date as the effective date of the Settlement Agreement. This CAP identifies the areas in which North End demonstrated noncompliance with NJ Medicaid rules, regulations, or contract requirements, and identifies action items to correct these areas.

Data Analysis

An investigation by MFD found that between July 24, 2009 and November 2014, North End billed NJ Medicaid for claims totaling \$931,297.56. During that time, North End engaged in the professional practice of medicine by way of a corporation owned by non-licensees employing plenary licensed physician(s). North End failed to enroll in NJ Medicaid by completing a provider application, signing a provider agreement or completing a Form CMS-1513, Ownership and Control Interest Disclosure Statement. For a period of time, North End submitted claims for services rendered by Sandrene Miller, M.D., a practitioner who was disqualified from participation in NJ Medicaid. North End also failed to prepare, maintain and/or produce certain professional treatment records documenting services in response to a request for patient records by MFD.

MFD Analysis

MFD alleged that the Etemadipours having engaged in the corporate practice of medicine was contrary to N.J.A.C. 10:49-11.1(d)(7) and N.J.A.C. 13:35-6.16. The failure to enroll and submit ownership information violated 42 C.F.R. 455.104 and N.J.A.C. 10:49-3.2. Failure to produce medical records was a violation of N.J.A.C. 10:49-11.1(b)(1)-(5). Thus, MFD alleged that the North End practice received medical assistance payments to which it was not eligible for or entitled to, in violation of N.J.S.A. 30:4D-17, N.J.A.C. 10:49-3.1(b), N.J.S.A. 30:4D-12, N.J.A.C. 10:49-9.8, N.J.A.C. 10:49-11.1(d)(7), N.J.A.C. 10:54-2.6, and N.J.A.C. 13:35-6.5(b). The Parties have entered into a Settlement Agreement to address the violations and overpayments associated therewith. Nothing herein shall constitute an admission, concession or finding of liability by any party.

Corrective Actions

Issue 1: MFD alleges that the Etemadipours engaged in the corporate practice of medicine.

Corrective Action: Within thirty (30) days of the effective date of this Settlement Agreement, the Etemadipours shall have divested themselves completely from the management of, and any ownership interest in, the medical practice located at 644 Mt. Prospect Avenue, Newark, New Jersey 07101. The Etemadipours shall provide to MFD evidence that demonstrates that they divested themselves completely from the management of and any ownership interest in such practice. Such evidence may include by is not limited to a copy of any executed sales agreements concerning the practice and/or property.

Focus Areas:

- a. If the Etemadipours decide to sell this practice, the Etemadipours shall enter into an agreement with a plenary licensed physician or group of physicians to assume ownership and control of the medical practice.
- b. The Etemadipours may work as employees of the medical practice, but shall not be involved in setting policies and procedures in the office with respect to: hiring professionals; verification of licensing and other educational credentials required by law or pertinent agency rule; medical policies at the office or place where services shall be rendered; cleanliness of premises; maintenance, registration and inspection of professional equipment as necessary; standards for recordkeeping as to patient medical records, billing records, and such other records as may be required by law or rule including Controlled Dangerous Substance inventories, as applicable; security, including drug storage, prescription pad control; confidentiality of patient records; periodic audit of patient records and of professional services to assure quality professional care on the premises; responsibility for the professional propriety of billing and of advertising or other representations including disclosure of financial interest in health care services offered to the public.
- c. The Etemadipours may not engage in any activity prohibited by N.J.A.C. 13:35-6.16.

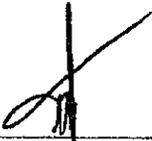
Violations

The Etemadipours are on notice that MFD asserts that the underlying conduct which gave rise to the recovery in this matter was deemed improper or abusive to NJ Medicaid and that said conduct must cease. North End is also on notice that any future violations of the underlying conduct addressed in the CAP could lead to exclusion from NJ Medicaid or NJ FamilyCare program, or in projects or contracts performed with the assistance of and subject to the approval of the Medicaid agent and/or DMAHS pursuant to N.J.A.C. 10:49-11.1. Additionally, any future violations of the underlying conduct addressed in this CAP could lead to future recovery

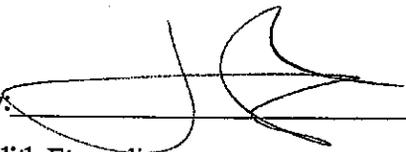
attempts by MFD, including but not limited to, the assessment of civil penalties of payment of an amount not to exceed the three-fold amount of such excess benefits or payments; or payment in the sum of not less than and not more than the civil penalty allowed under the federal False Claims Act, 31 U.S.C. § 3729 et seq., pursuant to N.J.S.A. 30:4D-17(e).

FORM AND CONTENT ACCEPTED AND AGREED TO BY:

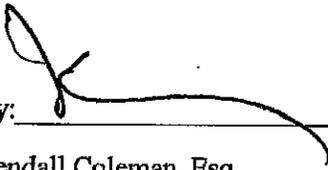
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By: 
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By: 
Judith Etemadipour

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Kendall Coleman, Esq.
Attorney for the Etemadipours