



State of New Jersey

OFFICE OF THE STATE COMPTROLLER
MEDICAID FRAUD DIVISION
P.O. BOX 025
TRENTON, NJ 08625-0025
TELEPHONE 609-826-4700

CHRIS CHRISTIE
Governor
KIM GUADAGNO
Lt. Governor

A. MATTHEW BOXER
State Comptroller
MARK ANDERSON
Director

January 2, 2014

Via Regular and Certified Mail

Robert S. Bonney Jr., Esq.
Lomurro, Davison, Eastman and Munoz, PA
Monmouth Executive Center
100 Willow Brook Road, Suite 100
Freehold, NJ 07728

RE: Brighter Day Behavioral Health
Notice of Claim, Notice of Withholding and Notice of Filing Certificate of Debt



Dear Mr. Bonney:

The New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD), hereby gives notice of the State's claim against Brighter Day Behavioral Health, Inc. (Brighter Day), owned and operated by Gwendolyn and Howard Lundy, in the amount of **\$1,271,802.01**. MFD investigators found that between September 7, 2009 and February 17, 2012, Brighter Day submitted and was reimbursed by the New Jersey Medicaid program for claims that did not have supporting documentation, claims that they did not provide services for, claims that did not meet regulatory requirements, and claims for days when the facility was actually closed. Brighter Day also made fraudulent entries on recipients' medical records during the course of MFD's investigation to create the appearance that some of these services were appropriately provided.

MFD reviewed recipient records and found that 1,517 claims for partial care could not be substantiated by weekly attendance documents because they lacked descriptive notes or observations, or contained illegible sign-in and sign-out times. In addition, Brighter Day failed to produce any records or attendance sheets for the five day period of September 7, 2009 to September 11, 2009 to support 215 partial care claims submitted for reimbursement. MFD investigators further found that despite Brighter Day being closed on February 11, 2010 and December 27, 2010, the facility submitted a total of 23 claims for partial care and 14 claims for transportation services for those days. A comparison was completed of the

original records and copies provided to MFD investigators. The original records did not match the copies provided; the copies contained multiple notations and altered notes to support the claims submitted for reimbursement after the fact.

MFD also identified 891 claims for transportation services where the logs did not substantiate the services purportedly provided and billed to Medicaid. These transportation logs were examined further and investigators found that there were 246 instances where the log had specific notations indicating that the recipient was not transported by the facility as claimed. An additional 192 claims were submitted by Brighter Day for reimbursement when, in fact, these services were provided by a third party vendor.

Medicaid reimbursement is also available to Brighter Day for therapeutic subcontract work activity, a subcategory of partial care services, which must comply with relevant Medicaid regulations. Investigators reviewed the records of four recipients who participated in therapeutic subcontract work and found that Brighter Day was in violation of regulations and the requirement to maintain its special certificate of employment of workers with disabilities issued by the U.S. Department of Labor.

Brighter Day received the benefit of payments totaling \$142,411.25 for the period of September 7, 2009 to February 17, 2012 in excess of the amount payable under the New Jersey Medical Assistance and Health Services (Medicaid) program, NJ FamilyCare, or Work First New Jersey/General Assistance programs because Brighter Day billed for services that were not rendered and violated record keeping and independent clinic services requirements in accordance with N.J.A.C. 10:49-5.5(a)(17), N.J.A.C. 10:49-9.8(b), N.J.A.C. 10:66-2.7(d)(i) and (l), N.J.A.C 10:66-1.6 and N.J.S.A. 30:4D-12(d). Therefore, pursuant to N.J.S.A. 30:4D-7(h), we are seeking recovery for these overpayments.

Out of the 2,859 total false claims, pursuant to N.J.S.A. 30:4D-17(e), we are assessing false claims penalties for the improper payments on 199 claims in the amount of \$1,094,500.00 and interest on the principal amount owed in the amount of \$34,890.76 for the total Notice of Claim amount of \$1,271,802.01.

Please note that additional interest will accrue beginning January 15, 2014 until payment is made in full. A complete listing of the claims and claim amounts in this matter is enclosed for your review along with the Certificate of Debt filed against Brighter Day with the Clerk of the Superior Court. Filing of the Certificate of Debt does not affect your client's hearing rights as outlined in the following paragraphs.

If Brighter Day agrees with the amount owed, they may make their check payable to "Treasurer, State of New Jersey" and mail to: N.J.D.M.A.H.S. – Medicaid Fraud Division, Division of Revenue, Lockbox 656, Attn: Processing

Bureau, 160 South Broad Street, 1st Floor, Trenton, NJ 08646. If your client disagrees with the amount owed, they may request a pre-hearing conference by writing to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 on or before January 17, 2014. Alternatively, your client may request a formal hearing before the Office of Administrative Law. Such a request must be made in writing and mailed to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 within the same time frame as above. If your client chooses to request a pre-hearing conference and that conference fails to resolve the matter, your client will have an additional opportunity to request a formal hearing before the Office of Administrative Law.

If your client does not request either a pre-hearing conference or a formal hearing within the time limits specified above, the Medicaid Fraud Division will begin withholding 30% of your client's future program payments, pursuant to N.J.S.A. 30:4D-17(i), until the full amount of the overpayment and interest set forth in this Notice is withheld. Your client will also have waived their rights to any further proceedings in this matter, and this Notice will then become a self-executing Default Judgment for the total amount, as well as the Final Agency Decision in this matter.

Sincerely,

Greg Custer Jr.
Medical Review Analyst
Recovery Unit

GC:c
Enclosures



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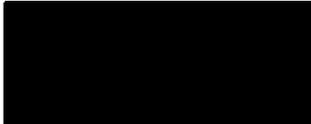
A. MATTHEW BOXER
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Robert S. Bonney Jr., Esq.
Lomurro, Davison, Eastman and Munoz, PA
Monmouth Executive Center
100 Willow Brook Road, Suite 100
Freehold, NJ 07728

RE: Guiding Light Behavioral Health
Notice of Claim, Notice of Withholding and Notice of Filing Certificate of Debt



Dear Mr. Bonney:

The New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD), hereby gives notice of the State's claim against Guiding Light Behavioral Health, Inc. (Guiding Light BH), owned and operated by Gwendolyn and Howard Lundy, in the amount of **\$1,442,630.27**. MFD investigators found that between January 1, 2010 and March 3, 2012, Guiding Light BH submitted and was reimbursed by the New Jersey Medicaid program for claims that could not be substantiated by Guiding Light BH's records, claims for services that were not provided, claims for services provided by another unaffiliated vendor, claims billed on dates when the recipients were not at the facility, or claims not in compliance with relevant regulations.

MFD investigators initiated a review of recipient charts maintained by Guiding Light BH and determined that 1,906 claims for partial care services had insufficient or no documentation in the recipients' charts. Of these, MFD found 539 claims for reimbursement in which there was no indication the recipients were at the facility or were there for the hours for which Guiding Light BH billed. Specifically, a review of attendance records revealed recipients not present at the facility, and a review of leave slips approved by facility staff confirmed that recipients had not been present at the facility at the times for which Guiding Light BH claimed reimbursement.

MFD also identified 11,676 claims for transportation services that could not be substantiated by Guiding Light BH's records. Of these, 66 transportation claims included billing for services rendered by another vendor and dates that the recipients were not at the facility.

Medicaid reimbursement is also available to Guiding Light BH for therapeutic subcontract work activity, a subcategory of partial care services, which must comply with relevant Medicaid regulations. Investigators reviewed the records of seven recipients engaged in therapeutic subcontract work activity and found that Guiding Light BH submitted 553 hours of billings that did not comply with Medicaid regulations or U.S. Department of Labor requirements.

Guiding Light BH received the benefit of payments totaling \$225,110.40 for the period of January 1, 2010 to March 3, 2012 in excess of the amount payable under the New Jersey Medical Assistance and Health Services (Medicaid), NJ FamilyCare, or Work First New Jersey/General Assistance programs because Brighter Day BH billed for services that were not rendered and violated record keeping and independent clinic services requirements in accordance with N.J.A.C. 10:49-5.5(a)(17), N.J.A.C. 10:49-9.8(b), N.J.A.C. 10:66-2.7(d)(i) and (l), N.J.A.C. 10:66-1.6 and N.J.S.A. 30:4D-12(d). Therefore, pursuant to N.J.S.A. 30:4D-7(h), we are seeking recovery for these overpayments.

Out of the 13,582 total false claims, pursuant to N.J.S.A. 30:4D-17(e), we are assessing false claims penalties for the improper payments on 214 claims in the amount of \$1,177,000.00 and interest on the principal amount owed in the amount of \$40,519.27 for the total Notice of Claim amount of \$1,442,630.27.

Please note that additional interest will accrue beginning January 15, 2014 until payment is made in full. A complete listing of the claims and claim amounts in this matter is enclosed for your review, along with the Certificate of Debt filed against Guiding Light BH with the Clerk of the Superior Court. Filing of the Certificate of Debt does not affect your client's hearing rights as outlined in the following paragraphs.

If Guiding Light BH agrees with the amount owed, they may make their check payable to "Treasurer, State of New Jersey" and mail to: N.J.D.M.A.H.S. – Medicaid Fraud Division, Division of Revenue, Lockbox 656, Attn: Processing Bureau, 160 South Broad Street, 1st Floor, Trenton, NJ 08646. If your client disagrees with the amount owed, they may request a pre-hearing conference by writing to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 on or before January 17, 2014. Alternatively, your client may request a formal hearing before the Office of Administrative Law. Such a request must be made in writing and mailed to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 within the same timeframe as above. If your client

chooses to request a pre-hearing conference and that conference fails to resolve the matter, your client will have an additional opportunity to request a formal hearing before the Office of Administrative Law.

If your client does not request either a pre-hearing conference or a formal hearing within the time limits specified above, the Medicaid Fraud Division will begin withholding 30% of your client's future program payments, pursuant to N.J.S.A. 30:4D-17(i), until the full amount of the overpayment and interest set forth in this Notice is withheld. Your client will also have waived their rights to any further proceedings in this matter, and this Notice will then become a self-executing Default Judgment for the total amount, as well as the Final Agency Decision in this matter.

Sincerely,

Greg Custer Jr.
Medical Review Analyst
Recovery Unit

GC:c
Enclosures



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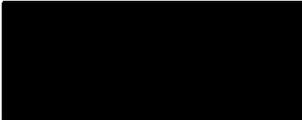
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January 2, 2014

Via Regular and Certified Mail

Robert S. Bonney Jr., Esq.
Lomurro, Davison, Eastman and Munoz, PA
Monmouth Executive Center
100 Willow Brook Road, Suite 100
Freehold, NJ 07728

RE: Guiding Light Drug and Alcohol Treatment Services
Notice of Claim, Notice of Withholding and Notice of Filing Certificate of Debt



Dear Mr. Bonney:

The New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD), hereby gives notice of the State's claim against Guiding Light Drug and Alcohol Treatment Services (Guiding Light DAT), owned and operated by Gwendolyn and Howard Lundy, in the amount of **\$9,159.57**. MFD investigators found that between January 15, 2010 and May 27, 2011, Guiding Light DAT submitted and was reimbursed by the State of New Jersey Medicaid Program for 110 claims for psychotherapy, urinalysis, psychological tests and intensive outpatient services without supporting documentation in the medical records.

MFD reviewed records for five recipients and found that 11 of the aforementioned claims were submitted with documentation specifically indicating that the service was not rendered as billed because the recipients were not at the facility at the time the services were supposedly performed.

Guiding Light DAT received the benefit of payments totaling \$2,987.40 for the period of January 15, 2010 to May 27, 2011 in excess of the amount payable under the New Jersey Medical Assistance and Health Services (Medicaid) program, NJ FamilyCare, or Work First New Jersey/General Assistance programs because Guiding Light DAT billed for services that were not rendered and did not include supporting documentation, in direct violation of N.J.A.C. 10:49-9.8(b),

N.J.A.C. 10:66-1.6 and N.J.S.A. 30:4D-12(d). Therefore, pursuant to N.J.S.A. 30:4D-7(h), we are seeking recovery for these overpayments.

Out of the 11 false claims, pursuant to N.J.S.A. 30:4D-17(e) we are assessing false claims penalties for the improper payments on one claim in the amount of \$5,500.00 and interest on the principal amount owed in the amount of \$672.17 for the total Notice of Claim amount of \$9,159.57.

Please note that additional interest will accrue beginning January 15, 2014 until payment is made in full. A complete listing of the claims and claim amounts in this matter is enclosed for your review, along with the Certificate of Debt filed against Guiding Light DAT with the Clerk of the Superior Court. Filing of the Certificate of Debt does not affect Guiding Light DAT's hearing rights as outlined in the following paragraphs.

If Guiding Light DAT agrees with the amount owed please make your check payable to "Treasurer, State of New Jersey" and mail to: N.J.D.M.A.H.S. – Medicaid Fraud Division, Division of Revenue, Lockbox 656, Attn: Processing Bureau, 160 South Broad Street, 1st Floor, Trenton, NJ 08646. If your client disagrees with the amount owed, they may request a pre-hearing conference by writing to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025 on or before January 17, 2014. Alternatively, your client may request a formal hearing before the Office of Administrative Law within the same timeframe as above. Such a request must be made in writing and mailed to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, NJ 08625-0025. If your client chooses to request a pre-hearing conference and that conference fails to resolve the matter, they will have an additional opportunity to request a formal hearing before the Office of Administrative Law.

If your client does not request either a pre-hearing conference or a formal hearing within the time limits specified above, the Medicaid Fraud Division will begin withholding 30% of your client's future program payments, pursuant to N.J.S.A. 30:4D-17(i), until the full amount of the overpayment and interest set forth in this Notice is withheld. Your client will also have waived their rights to any further proceedings in this matter, and this Notice will then become a self-executing Default Judgment for the total amount, as well as the Final Agency Decision in this matter.

Sincerely,

Greg Custer Jr.
Medical Review Analyst
Recovery Unit



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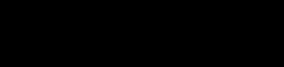
January 2, 2014

Via Regular and Certified Mail

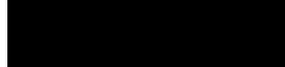
Robert S. Bonney Jr., Esq.
Lomurro, Davison, Eastman and Munoz, PA
Monmouth Executive Center
100 Willow Brook Road, Suite 100
Freehold, NJ 07728

Re: Notice of Termination and Debarment
FADS #: 0699

Guiding Light Drug & Alcohol Treatment Services
1930 Heck Avenue, Bldg. 3, Suite 1
Neptune, New Jersey 07753



Brighter Day Behavioral Health, Inc.
2783 Brunswick Pike
Lawrenceville, New Jersey 08648



Guiding Light Behavioral Health, Inc.
1930 Heck Avenue, Bldg. 3, Suite 1
Neptune, New Jersey



Mr. Howard Lundy
1 Malke Drive
Ocean, New Jersey



Dear Mr. Bonney:

The New Jersey Office of the State Comptroller, Medicaid Fraud Division (MFD) hereby gives notice that effective January 7, 2014, Guiding Light Drug & Alcohol Treatment Services (Guiding Light DAT), Guiding Light Behavioral Health, Inc. (Guiding Light BH) and Brighter Day Behavioral Health, Inc. (Brighter Day) will be terminated as Medicaid providers pursuant to N.J.A.C. 10:49-3.2(f) and N.J.A.C. 10:49 – 11.1(d) (6), (11), (12), (13), (20), and (23).

In addition, Mr. Howard Lundy, as an owner of Guiding Light DAT, Guiding Light BH, and Brighter Day and solely responsible for submitting claims to the Medicaid program for reimbursement, will be debarred from participation in any capacity in the New Jersey Medical Assistance and Health Services (Medicaid), NJ Family Care/NJ KidCare, Work First New Jersey/General Assistance, Pharmaceutical Assistance to the Aged and Disabled (PAAD) and Senior Gold Discount programs and any other program

administered in whole or in part by the Division of Medical Assistance and Health Services (DMAHS) for a period of five years, pursuant to N.J.S.A. 30:4D-17.1(a) and N.J.A.C. 10:49-11.1(d) (6), (11), (12), (20), and (23), effective January 7, 2014.

In accordance with N.J.A.C. 10:49-11.1(b), DMAHS will not pay for any item or service that Mr. Lundy furnishes, directs, orders, prescribes, manages or supervises. Furthermore, these programs will not be responsible for any portion of Mr. Lundy's remuneration if he is employed by or contracts with a facility or other entity serving the beneficiaries of these programs. Finally, if Mr. Lundy is employed by or contracts with a provider in these programs who is reimbursed on a fee-for-service basis, or is associated with a participating Managed Care Organization with which DMAHS contracts, DMAHS will not authorize payments for any items or services in which he is involved in any capacity.

These actions are based on MFD investigative findings which provide good cause for termination of the aforementioned entities and debarment of Mr. Lundy from New Jersey Medicaid program participation, pursuant to N.J.A.C. 10:49-11.1(d). Specifically, MFD found the following:

- N.J.A.C. 10:49-11.1(d) (6) - *Violations of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages, or child labor*

Brighter Day and Guiding Light BH received Medicaid reimbursement for therapeutic subcontract work that violated the provisions of N.J.A.C. 10:66-2.7(i). For example, Brighter Day is required to maintain a special minimum wage certificate issued by the U.S. Department of Labor, which authorizes an hourly rate less than minimum wage, pursuant to 29 C.F.R. § 525. MFD found that Brighter Day's special minimum wage certificate had expired on June 30, 2011 and was not renewed until February 28, 2012.

- N.J.A.C. 10:49-11.1(d) (11) – *Presentment for allowance or payment of any false or fraudulent claim for services or merchandise*

Each aforementioned entity received reimbursement from the New Jersey Medicaid program despite services not rendered, constituting a false or fraudulent claim. For example, Brighter Day submitted claims for services on dates when the facility was actually closed for business. It also submitted claims in a number of cases where the transportation services billed were provided by a second unrelated vendor. In addition, Guiding Light BH submitted claims for reimbursement where the sign-in/sign-out signature for a participant was marked over with an "X" or contained the word "OUT" indicating that the client was not at the facility. Finally, a chart review for a Medicaid recipient receiving services from Guiding Light DAT found multiple instances of claims billed despite a specific notation indicating the participant was not present at the facility on the date the service was purportedly provided.

- N.J.A.C. 10:49-11.1(d) (12) – *Submitting false information for the purpose of obtaining greater compensation than that to which the person is legally entitled*

The aforementioned entities submitted false information for the purpose of obtaining compensation to which they were not legally entitled. For example, Guiding Light DAT submitted claims for individual psychotherapy for participants who were

not present at the facility on the dates in question. At Guiding Light BH, the facility billed and received reimbursement for transportation services that were provided by a separate vendor reimbursed under a separate state contract.

- N.J.A.C. 10:49-11.1(d) (20) – *Violating any provision of N.J.S.A. 30:4D-1 et seq. (New Jersey Medical Assistance and Health Services Act) as amended or supplemented, or any rule or regulation promulgated by the Commissioner of Human Services or the Commissioner of Health and Senior Services pursuant thereto*

The aforementioned entities violated provisions of the New Jersey Medical Assistance and Health Services Act as well as numerous regulations of the New Jersey Medicaid program. For example, each entity failed to keep records as are necessary to fully disclose the extent of services billed in accordance with N.J.S.A. 30:4D-12(d) and N.J.A.C. 10:49-9.8(b).

- N.J.A.C. 10:49-11.1(d) (23) – *Any other cause affecting responsibility as a State contractor of such serious and compelling nature as may be determined by the Medicaid Agent or DMAHS to warrant exclusion, including such conduct as may be proscribed by the laws or contracts enumerated in this subsection, even if such conduct has not been or may not be prosecuted as violations of such laws or contracts*

MFD is statutorily charged with protecting the interest of the New Jersey Medicaid program and has a duty to prevent fraud, waste and abuse. DMAHS receives limited taxpayer funding from the State and the federal government, so it is incumbent on MFD to ensure the highest standards of integrity from Medicaid providers. The actions and conduct of the aforementioned entities and Mr. Lundy are of such a serious and compelling nature as to warrant termination of the existing provider agreements for Guiding Light DAT, Guiding Light BH, and Brighter Day and a five-year debarment of Mr. Lundy.

As a result of these findings, effective January 7, 2014, Guiding Light DAT, Guiding Light BH, and Brighter Day will be terminated as Medicaid providers and Mr. Harold Lundy, as an owner and individual responsible for billing, is debarred from the New Jersey Medicaid program and any other state funded health insurance program for a period of five years.

If your client disagrees with this decision, you may request a pre-hearing conference by writing to Joseph Rosenberg, Supervising Regulatory Officer, Medicaid Fraud Division, P.O. Box 025, Trenton, New Jersey 08625-0025, within 20 days of the date of this Notice. You may submit, within 20 days, any mitigating factors you wish MFD to consider in determining whether the debarment or its duration is appropriate in an attempt to resolve this matter without a hearing. Alternatively, you may request a hearing to appeal the termination and/or debarment before an Administrative Law Judge in the Office of Administrative Law. Any request for such a hearing must be made in writing and sent to Joseph Rosenberg, Regulatory Supervisor, Medicaid Fraud Division, P.O. Box 025, Trenton, New Jersey 08625-0025, within 20 days of the date of this Notice. If neither a pre-hearing conference nor a hearing request is received within the time specified, the termination and debarment will begin, and this Notice will become a self-executing Order to that effect as well as the Final Agency Decision in this matter.

Following a debarment, reinstatement to the Medicaid program is not automatic. Mr, Lundy must make a formal application following the five year period of his debarment by writing to Chief, Office of Legal and Regulatory Liaison, Division of Medical Assistance and Health Services (DMAHS), P.O. Box 712, Mail Code #3, Trenton, New Jersey 08625-0712. At that time, DMAHS will notify you if any additional materials are required in support of your application. You will be notified in writing of DMAHS' decision regarding your application.

Sincerely,

Joseph Rosenberg
Supervising Regulatory Officer
Medicaid Fraud Division