

SETTLEMENT AGREEMENT

AGREEMENT reached the 29th day of December, 2017, by and between the STATE OF NEW YORK, (hereinafter the "STATE") by the Office of the Attorney General, Medicaid Fraud Control Unit ("MFCU"), and WHITNEY M. YOUNG, JR. HEALTH CENTER, Inc. (hereinafter the "PROVIDER") (the STATE and PROVIDER are collectively referred to as the "PARTIES").

WHEREAS, PROVIDER, a New York not for profit corporation, with its primary offices located at 920 Lark Drive, Albany, New York 12207, is currently enrolled in the Medicaid program as a licensed health care center providing services through a Methadone Maintenance Treatment Program during the period January 1, 2012 through November 30, 2015, under Medicaid Provider Number 00473565; and

WHEREAS, pursuant to the provisions of the Public Health Law of the State of New York and the regulations promulgated thereunder, the PROVIDER filed Medical Assistance (Title XIX) ("Medicaid") Program Claims (hereinafter "Medicaid Claims") with the fiscal agents of the New York State Department of Health ("DOH") and received Medicaid reimbursement for services provided through the Methadone Maintenance Treatment Program during the period January 1, 2012 through November 30, 2015 (hereinafter the "AUDIT PERIOD"); and

WHEREAS, MFCU conducted a limited scope Audit-Investigation of treatment/recovery plans maintained by PROVIDER during the AUDIT PERIOD, and thereafter concluded that Medicaid payments for the aforesaid period were not reimbursable to PROVIDER; and

WHEREAS, the term "COVERED CONDUCT" shall mean PROVIDER's filing of claims for reimbursement to Medicaid and its receipt of payment thereon during the AUDIT PERIOD with respect to the submission of claims for services to patients in the Methadone Maintenance Treatment Program and whereas counselors did not create, provide, review and update for the patients the necessary treatment/recovery plans in accordance with the General Service Standards for Chemical Dependence Outpatient and Opioid Treatment Programs certified by the Office of Alcoholism and Substance Abuse Services (14 NYCRR §822.9); and

WHEREAS, as a result of the COVERED CONDUCT, PROVIDER received overpayments from Medicaid in the amount of ONE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,250,000.00); and

WHEREAS, the PROVIDER and the STATE have agreed to resolve the issues raised by the Audit- Investigation; and

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, PROVIDER and the STATE agree as follows:

The MFCU represents that it has the authority to enter into this settlement and to effectuate a final resolution with regard to the alleged Medicaid overpayments on behalf of the State of New York. It is understood that PROVIDER is entering into this settlement in reliance on this representation.

Payments from the PROVIDER

1. PROVIDER agrees to pay the STATE the Sum of ONE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,250,000.00) (hereinafter the "TOTAL PAYMENT"), as repayment for the COVERED CONDUCT. The TOTAL PAYMENT shall be paid as follows:

- a) PROVIDER agrees to pay the STATE the Sum of ONE MILLION TWO HUNDRED AND FIFTY THOUSAND DOLLARS (\$1,250,000.00) within sixty (60) days of the execution of this document;
- b) Should the PROVIDER fail to make the above said payment within sixty (60) days, Provider hereby consents to the Department of Health instituting an administration claims withholding procedure and shall withhold Medicaid reimbursement payments validly due and payable to PROVIDER at the rate of ten percent (10%) ("WITHHELD CLAIMS") and thereafter, PROVIDER consents to transfer said WITHHELD CLAIMS to MFCU.
- c) In the event that said withhold procedure is instituted and MFCU determines, in its sole discretion, that PROVIDER is unlikely to accrue sufficient valid reimbursement claims to satisfy the TOTAL PAYMENT

within three years from the date of execution of this AGREEMENT, or in the event that DOH does not implement a procedure to withhold such claims, then PROVIDER shall pay the remaining balance of the TOTAL PAYMENT to the STATE within thirty days after demand for such payment.

- d) In the event that said withhold procedure is instituted and PROVIDER withdraws from, or is disqualified from, participation in Medicaid, or in the event PROVIDER is the subject of bankruptcy filing, the entire unpaid balance of payments due under this AGREEMENT shall become immediately due and payable.

2. The making of this AGREEMENT is not intended, and shall not be construed as an admission that PROVIDER knowingly or intentionally: (a) received any payments from Medicaid in excess of those to which PROVIDER was entitled; or (b) engaged in any unacceptable practices within the meaning of 18 N.Y.C.R.R. §515.2.

No Further Repayments

3. In consideration of the foregoing payments by PROVIDER, the payments made hereunder comprising the TOTAL PAYMENT shall be received in full satisfaction of the obligations of PROVIDER hereunder, and the Attorney General shall not seek to impose on PROVIDER any other financial obligation due to the COVERED CONDUCT, including claims under State Finance Law §189 (False Claims Act) and Social Services Law §145-b.

4. PROVIDER will not submit additional or adjusted claims for the COVERED CONDUCT.

5. Notwithstanding any terms of paragraphs 4 and 5, the relief provided for herein relates solely to Medicaid compensations paid to or claimed by PROVIDER pursuant to any statutes, regulations and official directives governing Medicaid payments with respect to the COVERED CONDUCT and not to any other relationship between PROVIDER and the STATE.

Cooperation and Compliance

6. The STATE acknowledges that PROVIDER has cooperated fully in the conduct of the Audit. PROVIDER shall in good faith continue to cooperate with the MFCU in any proceeding related to the COVERED CONDUCT.

Independent Monitor

7. Within thirty (30) days of the Effective Date, PROVIDER will retain, at its own expense and on terms acceptable to the Attorney General, an Independent Monitor. The Independent Monitor will provide an ongoing, independent review of PROVIDER's adherence to all of the requirements of this Agreement, and will, in the Independent Monitor's sole discretion and without limitation, be given full access to all records of PROVIDER. The Independent Monitor will consult regularly with PROVIDER and its management and shall conduct regular audits and/or investigations to ensure that PROVIDER abides by the requirements of this Agreement. The Independent Monitor will not assume responsibility on behalf of PROVIDER for any obligation imposed by law or regulation.

8. The Independent Monitor will make a semi-annual written report to the Attorney General, with a copy to PROVIDER, which will assess PROVIDER's compliance with its obligations and PROVIDER's response to any identified compliance deficiencies.

9. The Independent Monitor will have the right to communicate with the Attorney General without notice to, or the consent of, PROVIDER. After communication with the Attorney General, and with the Attorney General's consent, the Independent Monitor may discuss such communication with PROVIDER,

10. PROVIDER will fully cooperate with the Independent Monitor's reasonable recommendations and directives and direct its employees to do so.

11. The Independent Monitor's initial term of engagement will be for two (2) years from the Effective Date. PROVIDER will promptly retain a substitute Independent Monitor,

with prior approval from the Attorney General, in the event the Independent Monitor is unable to complete the appointment. The Independent Monitor's employment contract will be provided to the Attorney General prior to the Effective Date.

12. The term of the Independent Monitor and, if necessary, the Term of this Agreement shall be extended in one year increments, subject to the determination and recommendation by the Independent Monitor, and approval by the Attorney General and by PROVIDER.

13. The PROVIDER will allow the Independent Monitor to conduct a review, including an assessment of PROVIDER'S treatment/recovery plans and compliance with treatment related regulations in accordance with the General Service Standards for Chemical Dependence Outpatient and Opioid Treatment Programs certified by the Office of Alcoholism and Substance Abuse Services (14 NYCRR §822.9). The PROVIDER is required to provide any and all records that the Independent Monitor requires to complete the review. The Independent Monitor's review and recommendations will be provided to the Attorney General and to PROVIDER within thirty (30) days of completion thereof.

14. In the event that the MFCU must seek remedies for collection or enforcement of PROVIDER's obligations hereunder, the PROVIDER shall be responsible for all costs and expenses incurred including expenses related to an Independent Monitor.

Other Terms

15. This AGREEMENT is binding upon all PARTIES and upon the assigns, transferees, purchasers and any successors-in-interest of PROVIDER.

16. This AGREEMENT is a settlement of civil liability only. This AGREEMENT constitutes the complete and full agreement reached by the STATE and PROVIDER, and may not be changed in any respect, except by a writing duly executed by the parties or their authorized representatives.

17. PROVIDER agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this AGREEMENT or creating the impression

that this AGREEMENT is without factual basis. Nothing in this paragraph affects PROVIDER's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or other legal proceedings to which the STATE is not a party.

18. The AGREEMENT shall be deemed to have been mutually prepared by the PARTIES hereto and shall not be construed against any of them solely by reason of authorship.

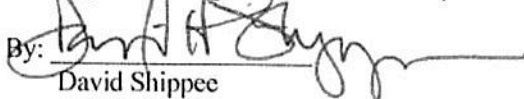
19. PROVIDER acknowledges that they have entered into this AGREEMENT freely and voluntarily and upon due deliberation, with the advice of counsel, and without coercion or duress.

20. This AGREEMENT shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles. The PARTIES consent to the jurisdiction of the Supreme Court of the State of New York, Albany County, in any action to enforce or interpret this AGREEMENT.

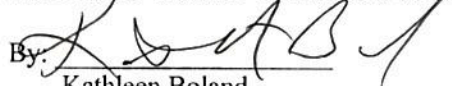
WHEREFORE, the PARTIES have read the foregoing AGREEMENT and accept and agree to the provisions contained therein and hereby have caused this AGREEMENT to be signed as of the date set forth above.

AGREED TO:

Whitney M. Young, Jr. Health Center, Inc.

By: 
David Shippee
Chief Executive Officer

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
MEDICAID FRAUD CONTROL UNIT

By: 
Kathleen Boland
Special Assistant Attorney General

City of Albany)
County of Albany) ss.:
State of New York)

On this 29th day of December, 2017, before me personally came David Shippee, to me known, who being by me duly sworn, did depose and say that he is DAVID SHIPPEE, the Chief Executive Officer of Whitney M. Young, Jr., Health Center, Inc. described in the above instrument, and has the authority to enter into this Agreement on behalf of Whitney M. Young, Jr., Health Center, Inc. the PROVIDER.

Daniel C. Robilotto
Notary Public

Daniel C. Robilotto
NOTARY PUBLIC, STATE OF NEW YORK
Registration # 01R06294522
Qualified in Albany County
Commission Expires Dec. 23, 2021