

## **SETTLEMENT AGREEMENT**

This Settlement Agreement (“Settlement Agreement”) is entered into among the United States of America (“United States”), acting through the United States Department of Justice and on behalf of the Office of Inspector General (“OIG-HHS”) of the Department of Health and Human Services (“HHS”); the Commonwealth of Virginia (“the Commonwealth”), acting through the Virginia Attorney General’s Medicaid Fraud Control Unit (“MFCU”) and on behalf of the Virginia Department of Medical Assistance Services (“DMAS”); Crossroads Treatment Center of Petersburg P.C., ARS Treatment Centers of New Jersey P.C., Crossroads Treatment Center of Greensboro P.C., and Starting Point of Virginia P.C. (collectively, “Crossroads”); and Diana France (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

### **RECITALS**

A. Crossroads treats patients with opioid use disorder (“OUD”), and is part of a network of clinics treating patients with OUD in Georgia, Kentucky, New Jersey, North Carolina, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia, and which previously treated patients with OUD in Colorado.

B. On June 9, 2021, Relator filed a *qui tam* action in the United States District Court for the District of South Carolina, captioned *United States et al. ex rel. Diana France v. Crossroads Treatment Centers et al.*, No. 6:21-cv-1263, pursuant to the *qui tam* provisions of the federal False Claims Act (“FCA”), 31 U.S.C. §§ 3729-3733, as well as equivalent state laws of Colorado, Georgia, New Jersey, North Carolina, Tennessee, Texas, and Virginia (“the Civil Action”). The United States and the Commonwealth intervened in the Civil Action, in part, and declined to intervene in the Civil Action, in part, on June 11, 2024. The remaining states named as plaintiffs declined to intervene in the Civil Action on that same date, June 11, 2024.

C. The United States and the Commonwealth contend that Crossroads submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”), including “managed care entities” as defined by 42 U.S.C. § 1396u-2.

D. The United States and the Commonwealth contend that they have certain civil claims against Crossroads under the FCA, the Virginia Fraud Against Taxpayers Act (“VFATA”), Va. Code § 8.01-216.1 *et seq.*, and the Virginia Medicaid Fraud Statute, Va. Code § 32.1-312, for presenting and causing to be presented to DMAS false and fraudulent Medicaid claims for evaluation and management services denoted by Current Procedural Terminology (“CPT”) code 99215, when the services rendered did not justify CPT code 99215, between January 1, 2016, and July 31, 2023. The United States and the Commonwealth further contend that Crossroads knew or should have known that the services at issue did not justify CPT code 99215, because that code generally requires at least two of the following three components – a comprehensive medical history, a comprehensive medical examination, and medical decision making of high complexity – typically involving 40 minutes of face-to-face time; by contrast, the services at issue were regular check-ins during OUD treatment, typically focusing on discussion of how the patient was doing. The conduct that is referenced in this Recital D is referred to below as the “Covered Conduct.”

E. This Settlement Agreement is neither an admission of liability by Crossroads, nor a concession by the United States or the Commonwealth that their claims are not well-founded.

F. Relator claims entitlement under 31 U.S.C. § 3730(d) and Va. Code § 8.01-216.7 to a share of the proceeds of this Settlement Agreement and to Relator’s reasonable expenses and attorneys’ fees and costs.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

**TERMS AND CONDITIONS**

1. Crossroads shall pay to the United States and the Commonwealth, collectively, the sum of \$863,934.74 (“Settlement Amount”), of which \$431,967.37 is restitution, as follows:
  - a. Crossroads shall pay to the United States \$356,891.44 (“Federal Settlement Amount”), of which \$178,445.72 is restitution, no later than 14 days after the Effective Date of this Settlement Agreement, pursuant to written instructions to be provided by the Office of the United States Attorney for the District of South Carolina; and
  - b. Crossroads shall pay to the Commonwealth \$507,043.30 (“State Settlement Amount”), of which \$253,521.65 is restitution, no later than 14 days after the Effective Date of this Settlement Agreement, pursuant to written instructions to be provided by the Virginia MFCU.
2. Conditioned upon the United States receiving the Federal Settlement Amount and as soon as feasible after receipt, the United States shall pay \$60,671.55 to Relator (“Federal Relator’s Share”).
3. Conditioned upon the Commonwealth receiving the State Settlement Amount and as soon as feasible after receipt, the Commonwealth shall transmit \$86,197.36 to Relator (“State Relator’s Share”).
4. Crossroads shall pay \$287,500.00 to Relator’s counsel within ten (10) days of the Effective Date of this Settlement Agreement for expenses, attorneys’ fees and costs related to the Civil Action, which payment shall fully resolve any and all claims that Relator or her counsel

may have against Crossroads for expenses, attorneys' fees or costs in connection with the Civil Action, including but not limited to any such claims for expenses, attorneys' fees or costs arising under 31 U.S.C. § 3730(d) and Va. Code § 8.01-216.7 or otherwise.

5. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Federal Settlement Amount and the Commonwealth's receipt of the State Settlement Amount, the United States releases Crossroads from any civil or administrative monetary claim the United States has for the Covered Conduct under the FCA, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

6. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Federal Settlement Amount and the Commonwealth's receipt of the State Settlement Amount, the Commonwealth releases Crossroads from any civil or administrative monetary claim the Commonwealth has for the Covered Conduct under the VFATA, Virginia Code § 8.01-216 *et seq.*; the Virginia Medicaid Fraud Statute, Va. Code § 32.1-312; or the common law theories of payment by mistake, unjust enrichment, and fraud. Nothing in this Settlement Agreement shall be construed as limiting the legal authority, duty, or obligation of the Commonwealth, through DMAS and/or its agents, to perform any utilization review, audit, site visit, or other review of Crossroads in the future for any reason.

7. Subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and conditioned upon the United States' receipt of the Federal Settlement Amount and the Commonwealth's receipt of the State Settlement Amount, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Crossroads from any civil monetary claim

Relator has on behalf of the United States or the Commonwealth for the Covered Conduct under the FCA or the VFATA. Furthermore, subject to the exceptions in Paragraph 8 (concerning reserved claims) below, and conditioned upon receipt of the payment that is referenced in Paragraph 4 of this Settlement Agreement, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases Crossroads, and its officers, agents, and employees from any liability to Relator or her counsel arising from or related to the filing or prosecution of the Civil Action, or under 31 U.S.C. § 3730(d) and Va. Code § 8.01-216.7 or otherwise, for expenses, attorneys' fees, and costs.

8. Notwithstanding the releases given in Paragraphs 5-7 of this Settlement Agreement, or any other term of this Settlement Agreement, the following claims and rights of the United States and the Commonwealth are specifically reserved and are not released:

- a. Any criminal, civil, or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code) or the Commonwealth's revenue codes;
- b. Any criminal liability;
- c. Except as explicitly stated in this Settlement Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs (including, but not limited to, the Virginia Medicaid program);
- d. Any liability to the United States or the Commonwealth (or their respective agencies) for any conduct other than the Covered Conduct;
- e. Any liability for expressed or implied warranty claims or other claims for defective or deficient products and services provided by Crossroads;
- f. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct;

- g. Any liability based on a failure to deliver goods or services due;
- h. Any civil or administrative liability Crossroads has or may have to the Commonwealth or to individual consumers or state program payers under any statute, regulation, or rule not expressly covered by the releases in this Settlement Agreement, including but not limited to any and all of the following claims:
  - (i) Virginia or federal antitrust violations; and
  - (ii) Claims involving unfair and/or deceptive acts and practices, and/or violations of consumer protection laws;
- i. Any liability based upon obligations created by this Settlement Agreement; and
- j. Any liability of individuals.

9. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Settlement Agreement but agree and confirm that this Settlement Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B) and Va. Code § 8.01-216.6. Conditioned upon Relator's receipt of the Federal Relator's Share, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Settlement Agreement. Conditioned upon Relator's receipt of the State Relator's Share, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the Commonwealth, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil

Action or under Virginia Code § 8.01-216 *et seq.*, and from any claims to a share of the proceeds of this Settlement Agreement.

10. Crossroads waives and shall not assert any defenses Crossroads may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the United States Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the United States Constitution, or under any similar provisions of Virginia law, this Settlement Agreement bars a remedy sought in such criminal prosecution or administrative action.

11. Crossroads fully and finally releases the United States and the Commonwealth, their agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Crossroads has asserted, could have asserted, or may assert in the future against the United States or the Commonwealth, their agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' or the Commonwealth's investigation or prosecution thereof.

12. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare contractor (*e.g.*, Medicare Administrative Contractor, fiscal intermediary, carrier), Medicaid or any state payer related to the Covered Conduct; and Crossroads agrees not to resubmit to any Medicare contractor, Medicaid, or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

13. Crossroads agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Crossroads, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (i) the matters covered by this Settlement Agreement;
- (ii) the United States' or named states' audit(s) and civil investigation(s) of the matters covered by this Settlement Agreement;
- (iii) Crossroads' investigation, defense, and corrective actions undertaken in response to the United States' or named states' audit(s) and civil investigation(s) in connection with the matters covered by this Settlement Agreement (including attorneys' fees);
- (iv) the negotiation and performance of this Settlement Agreement; and
- (v) the payments Crossroads makes to the United States and the Commonwealth pursuant to this Settlement Agreement and any payments that Crossroads may make to Relator, including costs and attorneys' fees.

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program ("FEHBP") (hereinafter referred to as "Unallowable Costs").



- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Crossroads, and Crossroads shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Crossroads or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.
- c. Treatment of Unallowable Costs Previously Submitted for Payment: Crossroads further agrees that within 90 days of the Effective Date of this Settlement Agreement it shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Crossroads or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the Unallowable Costs. Crossroads agrees that the United States or the Commonwealth, at a minimum, shall be entitled to recoup from Crossroads any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

- d. Any payments due after the adjustments have been made shall be paid to the United States and the Commonwealth pursuant to the direction of the Department of Justice and/or the affected agencies. The United States and the Commonwealth reserve their rights to disagree with any calculations submitted by Crossroads or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Crossroads or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.
- e. Nothing in this Settlement Agreement shall constitute a waiver of the rights of the United States or the Commonwealth to audit, examine, or re-examine Crossroads' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

14. This Settlement Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 15 (waiver for beneficiaries paragraph), below.

15. Crossroads agrees that it waives and shall not seek payment for any of the health care billings covered by this Settlement Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payers based upon the claims defined as Covered Conduct.

16. Upon receipt of the payments described in Paragraphs 1-4, above, the United States, the Commonwealth, Relator, and Crossroads shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action, which will include dismissal with prejudice by the United States and the Commonwealth of all Covered Conduct claims, dismissal

without prejudice by the United States and the Commonwealth of any remaining claims in the Civil Action, and dismissal with prejudice by Relator of all claims in the Civil Action.

17. Each party and signatory to this Settlement Agreement represents that it freely and voluntarily enters into this Settlement Agreement without any degree of duress or compulsion.

18. This Settlement Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Settlement Agreement is the United States District Court for the District of South Carolina, or for claims not involving the United States, an applicable state court in the Commonwealth of Virginia. For purposes of construing this Settlement Agreement, this Settlement Agreement shall be deemed to have been drafted by all Parties to this Settlement Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

19. This Settlement Agreement constitutes the complete agreement between the Parties. This Settlement Agreement may not be amended except by written consent of the Parties.

20. The undersigned counsel represent and warrant that they are fully authorized to execute this Settlement Agreement on behalf of the persons and entities indicated below. The undersigned government signatories represent that they are signing this Settlement Agreement in their official capacities and that they are fully authorized to execute this Settlement Agreement on behalf of the government entities through their respective agencies and departments.

21. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Settlement Agreement.

22. This Settlement Agreement is binding on Crossroads' successors, transferees, heirs, and assigns.

23. This Settlement Agreement is binding on Relator's successors, transferees, heirs, and assigns.

24. All Parties consent to the United States' and the Commonwealth's disclosure of this Settlement Agreement, and information about this Settlement Agreement, to the public.

25. This Settlement Agreement is effective on the date of signature of the last signatory to the Settlement Agreement ("Effective Date of this Settlement Agreement"). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Settlement Agreement.

**THE UNITED STATES OF AMERICA**

DATED: 7-25-2024



BY: \_\_\_\_\_  
Albert P. Mayer  
Senior Trial Counsel  
Commercial Litigation Branch, Civil Division  
United States Department of Justice

DATED: \_\_\_\_\_


BY: \_\_\_\_\_  
Nancy G. Cote  
Assistant United States Attorney  
District of South Carolina

DATED: 07/25/24

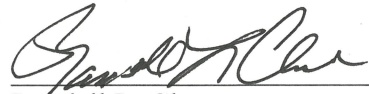
BY: \_\_\_\_\_  
**SUSAN GILLIN**  
Digitally signed by SUSAN GILLIN  
Date: 2024.07.25 09:25:56 -04'00'  
Susan E. Gillin  
Assistant Inspector General for Legal Affairs  
Office of Counsel to the Inspector General  
Office of Inspector General  
United States Department of Health and Human Services

THE COMMONWEALTH OF VIRGINIA


DATED: 06/20/24

BY:   
Cheryl J. Roberts, J.D.  
Director  
Department of Medical Assistance Services

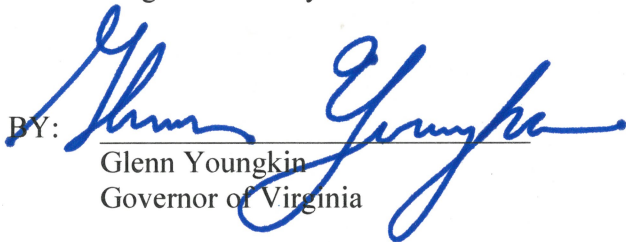
DATED: 6/27/24

BY:   
Randall L. Clouse  
Director and Chief  
Medicaid Fraud Control Unit  
Virginia Attorney General's Office

DATED: 7/2/24

BY:   
Jason S. Miyares  
Attorney General  
Virginia Attorney General's Office

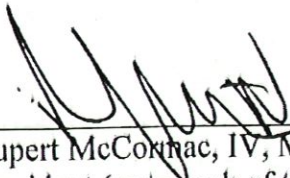
DATED: 7/19/24

BY:   
Glenn Youngkin  
Governor of Virginia

**CROSSROADS**

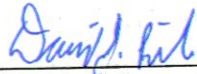
DATED: \_\_\_\_\_

BY:

  
\_\_\_\_\_  
Rupert McCormac, IV, M.D.  
President (as to each of the named Crossroads entities)

DATED: 6/28/24

BY:

  
\_\_\_\_\_  
David J. Pivnick  
Counsel for Crossroads

RELATOR

DATED: 6/25/2024 BY: Diana France  
Diana France

DATED: June, 13, 2024 BY: [Signature]  
William N. Nettles  
Counsel for Relator Diana France