

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, 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”) (collectively, “United States”), and Camden Treatment Associates LLC (“CTA,” collectively “Parties”), through their authorized representatives.

RECITALS

A. CTA is an opioid abuse treatment and counseling facility in Camden, New Jersey.

B. The United States contends that CTA submitted or caused to be submitted false claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”).

C. The United States contends that it has certain civil claims against CTA arising from the following: (1) from January 1, 2013 through December 31, 2014, CTA submitted claims to Medicaid for methadone administration that were tainted by kickbacks paid to CTA by a related methadone mixing entity with common ownership that is no longer operating in exchange for CTA’s purchases of mixing services from the methadone mixing entity; and (2) CTA submitted claims to Medicaid for counseling services from January 1, 2013 through July 1, 2016, during which time CTA failed to comply with certain state and federal regulations relating to substance use disorder counselor intern staffing ratios and supervision, including but not limited to maintaining a 50:50 ratio between certified substance use

disorder counselors and counselor interns. The above conduct described in this paragraph is referred to below as the “Covered Conduct.”

D. This Settlement Agreement is neither an admission of liability by CTA nor a concession by the United States that its claims are not well founded.

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. CTA shall pay to the United States one million six hundred and fifty thousand dollars (\$1,650,000.00) (“Settlement Amount”), of which \$825,000 is restitution, and interest on the Settlement Amount at the rate of 1.5% per annum from November 14, 2022. (“Interest”).

- a. CTA will pay, within 10 days of the Effective Date of this Agreement (as defined by Paragraph 19 below), \$825,000, plus Interest.
- b. By February 1, 2023, CTA will pay the remaining \$825,000, plus Interest.
- c. Collectively the Settlement Amount and Interest received by the United States will be referred to as the Settlement Payments.
- d. If CTA is sold, merged, or transferred, or a significant portion of the assets of CTA is sold, merged, or transferred into another non-affiliated entity, CTA shall promptly notify the United States, and all remaining payments owed pursuant to the Settlement Agreement will be accelerated and become immediately due and payable.

- e. The Settlement Amount may be prepaid, in whole or in part, without penalty or premium.
- f. The Settlement Payments will be made by electronic funds transfer pursuant to written instructions to be provided by the U.S. Attorney's Office for the District of New Jersey.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount plus interest, the United States releases CTA from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 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.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. any criminal liability;
- c. except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- d. any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

- e. any liability based upon obligations created by this Agreement;
and
- f. any liability of individuals;

4. CTA waives and shall not assert any defenses CTA 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 Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

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

6. 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 or Medicaid contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and CTA agrees (a) not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct; (b) not to appeal any such denials of claims; and (c) to withdraw any such pending appeals.

7. CTA agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; 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 CTA, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement and any related deferred prosecution agreement;
- (2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;
- (3) CTA's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil and any criminal investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement and any deferred prosecution agreement; and
- (5) the payment CTA makes to the United States pursuant to this Agreement.

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

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by CTA, and CTA 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 CTA or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: CTA further agrees that within 90 days of the Effective Date of this 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 CTA 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. CTA agrees that the United States, at a minimum, shall be entitled to recoup from CTA 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.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any

calculations submitted by CTA or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on CTA or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine CTA's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. CTA agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, CTA shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available and encourage the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. CTA further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken or that has been performed by another on its behalf.

9. This 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 10 (waiver for beneficiaries paragraph), below.

10. CTA agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or

their parents, sponsors, legally responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.

11. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

13. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

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

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

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


17. This Agreement is binding on CTA's successors, transferees, heirs, and assigns.

18. All Parties consent to the United States' disclosure of this Agreement and information about this Agreement to the public.

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

The United States of America

DATED: 11/29/2022

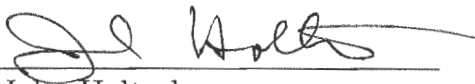
BY: 
Kruti D. Dharia
Assistant United States Attorney
District of New Jersey

DATED: 11/28/22


BY: Lisa M. Re /seg
Lisa M. Re
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

Camden Treatment Associates LLC

DATED: 11/23/22

BY: 
John Holtsclaw
Managing Member

DATED: 11/23/22

BY: 
Paul H. Zoubek
Lathrop B. Nelson, III
Ethan Hougah
Montgomery McCracken LLP
Counsel for CTA