

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice (collectively, the “United States”), the State of Connecticut, acting through the Attorney General of the State of Connecticut (collectively, the “State of Connecticut”); and Cornell Scott Hill Health Corporation (“CSH”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

- A. CSH is a Connecticut corporation with its principal place of business located at 400 Columbus Avenue, New Haven, Connecticut. CSH is a Federally Qualified Health Center (“FQHC”) which provides a variety of health care services, including dental services, to Connecticut Medicaid beneficiaries and other individuals.
- B. CSH is enrolled in the Connecticut Medical Assistance Program (“CMAP”), which includes Connecticut’s Medicaid program. CSH signed a CMAP Provider Enrollment Agreement (“Provider Agreement”) which outlines provisions CSH is bound to adhere to as a condition of both enrollment in, and payment by, the CMAP.
- C. The United States and the State of Connecticut contend that CSH submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”).
- D. Pursuant to federal requirements, the State of Connecticut compensates FQHCs for provided services on an “encounter-based” reimbursement structure. For the provision of dental services, claims are limited to one all-inclusive encounter per day to include all

dental services received by a patient on the same day. Regs, Conn. State Agencies § 17b-262-994, et seq.

E. The United States and the State of Connecticut contend that they have certain civil claims against CSH arising from the following conduct during the time period from January 1, 2017 through December 31, 2019 : CSH implemented a policy that required Medicaid patients to receive prophylactic cleanings and dental exams on separate days, resulting in CSH getting paid two encounter rates instead of just one rate. The conduct set forth in this paragraph is referred to below as the “Covered Conduct.”

F. CSH denies the United States’ and the State of Connecticut’s allegations in Paragraph E.

G. This Settlement Agreement is neither an admission of liability by CSH nor a concession by the United States or the State of Connecticut that their 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. CSH shall pay to the United States and the State of Connecticut the sum of Three Hundred Fifty Thousand Dollars (\$350,000) (“Settlement Amount”), all of which is restitution, no later than the Effective Date of this Agreement, by electronic funds transfer pursuant to written instructions to be provided by The Office of the United States Attorney for the District of Connecticut.

2 Commencing on the Effective Date of this Agreement, CSH shall offer all Medicaid beneficiaries the option of scheduling a prophylactic cleaning and dental examination on the same day. Should a Medicaid beneficiary choose to have a cleaning and exam performed on the same day, CSH shall schedule such same day appointment on the first available appointment day.

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases CSH from any civil monetary claim the United States has for the Covered Conduct under the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the State of Connecticut's receipt of the Settlement Amount, the State of Connecticut releases CSH from any civil monetary claim the State of Connecticut has for the Covered Conduct under the common law theories of payment by mistake, unjust enrichment, breach of contract and fraud.

5. Notwithstanding the releases given in Paragraphs 3 and 4 of this Agreement, or any other term of this Agreement, the following claims of the United States and the State of Connecticut are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code) or arising under the laws and regulations that are administered and enforced by the State of Connecticut Department of Revenue Services;
- b. Any criminal liability;
- c. Any Federal or State False Claims Act liability;

d. Any administrative liability or enforcement liability, including mandatory and permissive exclusion or suspension from Federal or State health care programs;

e. Any liability to the State of Connecticut for any conduct in violation of the Connecticut Unfair Trade Practices Act:

f. Any liability to the United States or the State of Connecticut (or their agencies) for any conduct other than the Covered Conduct;

g. Any liability based upon obligations created by this Agreement;

h. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

i. Any liability for failure to deliver goods or services due;

j. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct; and

k. Any liability of individuals.

6. CSH waives and shall not assert any defense CSH 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. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the

characterization of the Settlement Amount for purposes of the Internal Revenue laws, Title 26 of the United States Code. Nothing in this paragraph or any other provision of this Settlement Agreement constitutes an agreement by the State of Connecticut concerning the characterization of the Settlement Amount for the purposes of the laws and regulations administered and enforced by the Connecticut Department of Revenue Services.

7. CSH fully and finally releases the United States, the State of Connecticut, and their respective agencies, employees, servants, and agents from any claims in their official and individual capacities (including attorney's fees, costs, and expenses of every kind and however denominated) that CSH has asserted, could have asserted, or may assert in the future against the United States, the State of Connecticut, and their respective agencies, employees, servants, and agents, related to the Covered Conduct and the United States' and the State of Connecticut's investigation and prosecution thereof.

8. CSH agrees to the following, if applicable:

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 CSH, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Settlement Agreement;

- (2) the United States' and the State of Connecticut's audit(s) and civil investigation(s) of the matters covered by this Settlement Agreement;
- (3) CSH's investigation, defense, and corrective actions undertaken in response to the United States' and the State of Connecticut's audit(s) and civil investigation(s) in connection with the matters covered by this Settlement Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Settlement Agreement; and
- (5) the payment CSH makes to the United States and the State of Connecticut pursuant to this Settlement Agreement,

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 CSH, and CSH shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or the State of Connecticut, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by CSH or any of CSH's subsidiaries or affiliates to the Medicare, Medicaid, ConnPACE, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: CSH 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, ConnPACE and FEHBP fiscal agents, any Unallowable Costs (as defined in this paragraph) included in payments previously sought from the United States, or any State program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by CSH or any of CSH's 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. CSH agrees that the United States and the State of Connecticut, at a minimum, shall be entitled to recoup from CSH 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 and/or the State of Connecticut pursuant to the direction of the Department of Justice or the Connecticut Attorney General's Office, respectively, and/or the affected agencies. The United States and the State of Connecticut reserve their rights to disagree with any calculations submitted by CSH or any of CSH's subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on CSH or any of CSH's subsidiaries or affiliates' cost reports, cost statements, or information reports.

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

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, below.

10. CSH 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. 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) or any state payer, related to the Covered Conduct; and CSH agrees not to resubmit to any Medicare contractor 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.

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

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

14. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Settlement Agreement is the United States District Court for the District of Connecticut, except that disputes only between the State of Connecticut and CSH will be resolved in the Superior Court for the Judicial District of

Hartford, Connecticut. 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.

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

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

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

18. This Agreement is binding on CSH's successors, transferees, heirs, and assigns.

19. All Parties consent to the United States' and the State of Connecticut's disclosure of this Agreement, and information about this Agreement, to the public.

20. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles, scans of signatures, or electronic signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 8/4/21

BY: John B. Hughes
JOHN B. HUGHES
Assistant United States Attorney
Chief, Civil Division
District of Connecticut

DATED: 8/4/21

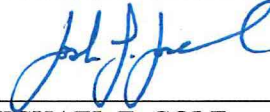
By: R. M. Molot
RICHARD M. MOLOT
Assistant United States Attorney
Chief, Affirmative Civil Enforcement Unit
District of Connecticut

THE STATE OF CONNECTICUT

WILLIAM TONG
ATTORNEY GENERAL

DATED: 8/4/2021

BY:



MICHAEL E. COLE
JOSHUA L. JACKSON
Assistant Attorneys General
State of Connecticut

CORNELL SCOTT HILL HEALTH CORPORATION

DATED: 3 August 2021

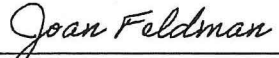
BY:



MICHAEL R. TAYLOR
Chief Executive Officer
Cornell Scott Hill Health Corporation

DATED: 3 August 2021

BY:



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MORGAN P. RUECKERT, ESQ.
Shipman & Goodwin LLP
Counsel for Cornell Scott Hill Health Corporation