

## **SETTLEMENT AGREEMENT**

### **I. PARTIES**

This Settlement Agreement ("Agreement") is made and entered into by and between the State of Connecticut ("the State"), acting through the Attorney General of the State of Connecticut ("Attorney General"), Cornerstones, P.C. ("Cornerstones"), and David M. Meyers, LCSW ("Meyers") (collectively, "the Parties").

### **II. BACKGROUND**

**WHEREAS**, the Attorney General has conducted an investigation of suspected violations of the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274 et seq. by Cornerstones, relating to the submission of false claims for payment to the State of Connecticut Department of Social Services ("DSS") for behavioral health services rendered to Connecticut Medical Assistance Program ("CMAP") recipients for the period between January 1, 2010, and February 28, 2011 ("Investigation").

**WHEREAS**, the Attorney General is prepared to make the following allegations based upon the Attorney General's Investigation, which allegations Meyers neither admits nor denies:

A. Between July 2007 and February 2011, Cornerstones operated as an Outpatient Psychiatric Clinic for Children ("OPCC") licensed by the Department of Children and Families ("DCF"). David M. Meyers, LCSW ("Meyers"), was the President of Cornerstones at all times relevant to the Investigation.

B. In July 2007, Cornerstones enrolled as a mental health clinic provider in CMAP, which is administered by the DSS. Cornerstones' CMAP initial provider agreement covered a two-year period through the end of 2009, and required that Cornerstones comply with all applicable licensing statutes and regulations in addition to all federal and state statutes, regulations, and policies pertaining to CMAP.

C. The DCF regulations require that an OPCC such as Cornerstones have a medical director to operate as an OPCC. The DSS regulations require that an OPCC such as Cornerstones comply with all DCF statutory and regulatory requirements in order to receive reimbursement as a mental health clinic for claims submitted to the DSS relating to behavioral health services rendered to CMAP recipients. The DSS Provider Manual, chapter 7, section 171B.III.c. (January 1, 2008) further requires that all behavioral health services furnished to CMAP recipients at mental health clinics such as Cornerstones be provided "under the direction of a physician or dentist."

D. In April 2007, Meyers hired W. Blake Taggart, M.D. ("Taggart") to be the medical director of Cornerstones. Taggart signed an independent contractor agreement with Cornerstones on April 24, 2007. According to the terms of Taggart's independent contractor agreement effective as of that date, Taggart assumed and carried out all the responsibilities, duties and obligations associated with holding the position of Cornerstones' medical director through January 1, 2010.

E. In June 2009, Meyers submitted an application for Cornerstones to the Provider Enrollment Unit at EDS/HP, the DSS's fiscal agent, to re-enroll as a CMAP mental health clinic provider for the two-year period between 2010 and 2012. In August 2009, the DSS notified Meyers that Cornerstones' CMAP re-enrollment application had been rejected because Meyers failed to include the following documents with Cornerstones' CMAP re-enrollment application: (1) a copy of the current physician license of the medical director of Cornerstones, and (2) a letter from Cornerstones' medical director accepting full professional responsibility for behavioral health services rendered to CMAP recipients at Cornerstones.

F. Meyers knew that Cornerstones needed a medical director in order to re-enroll Cornerstones in the CMAP as a mental health clinic provider, and to continue to bill and receive reimbursement from the DSS for behavioral health services rendered to CMAP recipients at

Cornerstones.

G. On or about September 1, 2009, Taggart informed Meyers that he would no longer continue as Cornerstones' medical director, or otherwise be associated or affiliated with Cornerstones, after January 1, 2010.

H. To comply with the DSS requirements for Cornerstones' re-enrollment, Meyers wrote and submitted a letter to the DSS's fiscal agent, which was signed by Taggart in February 2010 and backdated to January 1, 2010. In the backdated letter, Taggart stated that he was the medical director of Cornerstones and that he "served in this role from 4/24/07 to the present." Taggart further stated that "[i]n holding this position I accept responsibility for medical services rendered at Cornerstones, PC."

I. Meyers used Taggart's statement in the backdated letter that Taggart was Cornerstones' medical director in order to re-enroll Cornerstones as a CMAP provider and thereby to obtain payment from the DSS for behavioral health services claims to CMAP recipients rendered at Cornerstones during the period after January 1, 2010, when Taggart was no longer Cornerstones' medical director.

J. Meyers' knowing false statement to the DSS that Taggart was Cornerstones' medical director after January 1, 2010, directly influenced the DSS's decision to re-enroll Cornerstones as a CMAP provider. The DSS paid Cornerstones \$64, 049.02 from January 1, 2010, through February 28, 2011.

K. Meyers thus knowingly caused the submission of false and fraudulent claims for payment to the DSS for behavioral health services rendered to CMAP recipients at Cornerstones between January 1, 2010, and February 28, 2011.

L. Taggart was not paid by Cornerstones for services rendered as Cornerstones'

medical director after January 1, 2010. Further, Taggart provided no services to Cornerstones after January 1, 2010, and he did not receive any payment in connection with behavioral services claims submitted by Meyers to the DSS for CMAP recipients at Cornerstones after January 1, 2010.

### **III. TERMS AND CONDITIONS**

**WHEREAS**, the allegations in Section II A-L are referred to as the “Covered Conduct”.

**WHEREAS**, the State contends that it has certain civil claims against Meyers and Cornerstones arising from Cornerstones' submission of false claims to the CMAP, in violation of the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274 et seq.

**WHEREAS**, this Agreement is neither an admission of facts or liability by Meyers or Cornerstones, nor a concession by the State that its allegations are not well-founded.

**WHEREAS**, it is hereby agreed and understood that there is no admission of liability or wrongdoing on the part of Meyers or Cornerstones and that neither this Agreement or its execution, nor the performance of any obligation arising under it, including any payment, nor the fact of settlement can be used in any manner as an admission of liability or wrongdoing on the part of Meyers or Cornerstones in any other forum, or as any other expression that reflects the merits of the dispute by any party to this Agreement.

**WHEREAS**, the State finds that the relief and other provisions contained in this Agreement are appropriate and in the public interest.

**NOW, THEREFORE**, in reliance on the representations contained herein and in consideration of the mutual promises, covenants and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. By no later than seven (7) days after the Effective Date of this Agreement, Meyers and Cornerstones shall pay the State of Connecticut by certified check the sum of \$90,000. Said funds shall be payable to "Treasurer, State of Connecticut", care of the Office of the Connecticut Attorney General, Antitrust and Government Program Fraud Department.

2. Subject to the exceptions in Paragraph 3 below, and in consideration of Meyers's and Cornerstones' obligations in this Agreement, the State (on behalf of itself, its agencies, employees, servants, agents, officers and departments) agrees to release Meyers and Cornerstones from any and all civil claims the State has or may have with respect to the Covered Conduct under the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274 et seq. and under the Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110a et seq and, except as set forth in section 3, for any other civil claims or statutes which relate to the Covered Conduct.

3. Notwithstanding any term of this Agreement, the State specifically does not release Meyers or Cornerstones from any of the following liabilities:

- (a) any criminal, civil, or administrative liability arising under state revenue codes;
- (b) any civil or administrative liability that Meyers or Cornerstones has or may have to individual consumers or patients of Cornerstones under any statute, regulation or rule not expressly covered by the release in Paragraph 2 above, including but not limited to claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- (c) any liability to the State for any conduct other than the Covered Conduct;
- (d) any liability which may be asserted on behalf of any other payors or insurers,

including those that are paid by the State's Medicaid program on a capitated basis;

- (e) any liability based upon obligations created by this Agreement;
- (f) any suspension or exclusion from the CMAP, the State's Medicaid program;
- (g) any liability or personal injury or property damage or for other consequential damages arising from the Covered Conduct;
- (h) any liability based on a failure to deliver items or services due; or
- (i) any liability arising from the Covered Conduct with respect to any and all State of Connecticut professional licensing laws and regulations.

4. In consideration of the obligations of the State set forth in this Agreement, Meyers and Cornerstones waives and discharges the State, its agencies, employees, servants, agents, officers and departments from any causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) which Meyers asserted, could have asserted, or may assert in the future against the State, its agencies, political subdivisions, employees, servants, and agents, arising from the State's investigation as addressed herein and actions regarding the Covered Conduct.

5. Meyers and Cornerstones waives and shall not seek payment for any claims for reimbursement Cornerstone submitted to the CMAP during the period covered by the Covered Conduct nor shall they seek reimbursement from any CMAP recipients or their parents, sponsors, legally responsible individuals, or their parents, sponsors or legally responsible individuals.

6. The Parties each represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

7. Except as expressly provided to the contrary in this Agreement, 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.

8. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

9. Nothing in this Agreement constitutes an agreement by the State concerning the characterization of the amounts paid hereunder, if any, for purposes of the State's revenue code.

10. This Agreement is governed by the laws of the State of Connecticut, and venue for addressing and resolving any and all disputes relating to enforcement of this Agreement shall be the Superior Court for the Judicial District of Hartford.

11. The "Effective Date" of this Agreement shall be the date of signature of the last signatory to this Agreement. Facsimiles of signatures shall constitute acceptable binding signatures for purposes of this Agreement.

12. This Agreement shall be binding on all successors, transferees, heirs, and assigns of the Parties.

14. This Agreement constitutes the complete agreement between the Parties with respect to this matter and shall not be amended except by written consent of the Parties.

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

[signatures appear on the following pages]

DATED: 7/7/15

BY:   
MICHAEL E. COLE  
ASSISTANT ATTORNEY GENERAL  
STATE OF CONNECTICUT

DATED: 7/7/15

BY:   
DAVID M. MEYERS, LCSW

## SETTLEMENT AGREEMENT

### I. PARTIES

This Settlement Agreement ("Agreement") is made and entered into by and between the State of Connecticut ("the State"), acting through the Attorney General of the State of Connecticut ("Attorney General"), and W. Blake Taggart, M.D ("Taggart") (collectively, "the Parties").

### II. BACKGROUND

**WHEREAS**, the Attorney General has conducted an investigation of suspected violations of the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274 et seq., by Cornerstones, P.C. ("Cornerstones") relating to the submission of false claims for payment to the State of Connecticut Department of Social Services ("DSS") for behavioral health services rendered to Connecticut Medical Assistance Program ("CMAP") recipients for the period between January 1, 2010, and February 28, 2011 ("Investigation").

**WHEREAS**, the Attorney General is prepared to make the following allegations based upon the Attorney General's Investigation, which allegations Taggart neither admits nor denies:

A. Between July 2007 and February 2011, Cornerstones operated as an Outpatient Psychiatric Clinic for Children ("OPCC") licensed by the Department of Children and Families ("DCF"). David M. Meyers, LCSW ("Meyers"), was the President of Cornerstones at all times relevant to the Investigation.

B. In July 2007, Cornerstones enrolled as a mental health clinic provider in CMAP, which is administered by the DSS. Cornerstones' CMAP initial provider agreement covered a two-year period through the end of 2009, and required that Cornerstones comply with all applicable licensing statutes and regulations in addition to all federal and state statutes, regulations, and policies pertaining to CMAP.

C. The DCF regulations require that an OPCC such as Cornerstones have a medical

director to operate as an OPCC. The DSS regulations require that an OPCC such as Cornerstones comply with all DCF statutory and regulatory requirements in order to receive reimbursement as a mental health clinic for claims submitted to the DSS relating to behavioral health services rendered to CMAP recipients. The DSS provider payment regulations further require that all behavioral health services furnished to CMAP recipients at mental health clinics such as Cornerstones be provided "under the direct supervision of a physician."

D. Taggart signed an independent contractor agreement with Cornerstones on April 24, 2007. According to the terms of the independent contractor agreement effective as of that date, Taggart assumed and carried out all the responsibilities, duties and obligations associated with holding the position of Cornerstones' medical director through January 1, 2010.

E. In June 2009, Meyers submitted an application for Cornerstones to the Provider Enrollment Unit at EDS/HP, the DSS's fiscal agent, to re-enroll as a CMAP mental health clinic provider for the two-year period between 2010 and 2012. In August 2009, the DSS notified Meyers that Cornerstones' CMAP re-enrollment application had been rejected because Meyers failed to include the following documents with Cornerstones' CMAP re-enrollment application: (1) a copy of the current physician license of the medical director of Cornerstones, and (2) a letter from Cornerstones' medical director accepting full professional responsibility for behavioral health services rendered to CMAP recipients at Cornerstones.

F. Meyers knew that Cornerstones needed a medical director in order to re-enroll Cornerstones in the CMAP as a mental health clinic provider, and to continue to bill and receive reimbursement from the DSS for behavioral health services rendered to CMAP recipients at Cornerstones. On or about September 1, 2009, Taggart informed Meyers that he would no longer continue as Cornerstones' medical director, or otherwise be associated or affiliated with

Cornerstones, after January 1, 2010.

G. To comply with the DSS requirements for Cornerstones' re-enrollment, Meyers submitted a letter to the DSS's fiscal agent, which was signed by Taggart in February 2010 and dated January 1, 2010. In the letter, Taggart stated that he was the medical director of Cornerstones and that "I have served in this role from 4/24/07 to the present. In holding this position I accept responsibility for medical services rendered at Cornerstones, PC."

H. In the letter, Taggart stated he was Cornerstones' medical director. Meyers used this statement to re-enroll Cornerstones as a CMAP provider and thereby obtain payment from the DSS for behavioral health services claims to CMAP recipients rendered at Cornerstones during the period after January 1, 2010, when Taggart was no longer Cornerstones' medical director.

I. This representation by Meyers that Taggart was Cornerstones' medical director after January 1, 2010, directly influenced the DSS's decision to re-enroll Cornerstones as a CMAP provider. Thus Meyers, caused the submission of false and fraudulent claims for payment to the DSS for behavioral health services rendered to CMAP recipients at Cornerstones between January 1, 2010, and February 28, 2011.

J. Taggart represents that he was not paid by Cornerstones for services rendered as Cornerstones' medical director after January 1, 2010. Taggart further represents that he provided no services to Cornerstones after January 1, 2010, and that he did not receive any payment in connection with behavioral services claims submitted by Meyers to the DSS for CMAP recipients at Cornerstones after January 1, 2010.

### **III. TERMS AND CONDITIONS**

**WHEREAS**, the allegations in Section II A-K are referred to as the "Covered Conduct".

**WHEREAS**, the State contends that it has certain civil claims against Taggart arising

from Cornerstones' submission of false claims to the CMAP, in violation of the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274 et seq.

**WHEREAS**, this Agreement is neither an admission of facts or liability by Taggart, nor a concession by the State that its allegations are not well-founded.

**WHEREAS**, it is hereby agreed and understood that there is no admission of liability or wrongdoing on the part of Dr. Taggart (by whom liability is expressly denied) and that neither this Agreement or its execution, nor the performance of any obligation arising under it, including any payment, nor the fact of settlement can be used in any manner as an admission of liability or wrongdoing on the part of Dr. Taggart in any other forum, or as other expression reflecting on the merits of the dispute by any party to this Agreement.

**WHEREAS**, the State finds that the relief and other provisions contained in this Agreement are appropriate and in the public interest.

**NOW, THEREFORE**, in reliance on the representations contained herein and in consideration of the mutual promises, covenants and obligations set forth in this Agreement, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. By no later than seven (7) days after the Effective Date of this Agreement, Taggart shall pay the State of Connecticut by certified check the sum of \$30,000. Said funds shall be payable to "Treasurer, State of Connecticut", care of the Office of the Connecticut Attorney General, Antitrust and Government Program Fraud Department.
2. Subject to the exceptions in Paragraph 3 below, and in consideration of Taggart's obligations in this Agreement, the State (on behalf of itself, its agencies, employees, servants, agents, officers and departments) agrees to release Taggart from any and all civil claims the State has or may

have with respect to the Covered Conduct under the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274 et seq., and under the Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110a et seq and, except as set forth in section 3, for any other civil claims or statutes which relate to the Covered Conduct.

3. Notwithstanding any term of this Agreement, the State specifically does not release Taggart from any of the following liabilities:

- (a) any criminal, civil, or administrative liability arising under state revenue codes;
- (b) any civil or administrative liability that Taggart has or may have to individual consumers or patients of Cornerstones under any statute, regulation or rule not expressly covered by the release in Paragraph 2 above, including but not limited to claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- (c) any liability to the State for any conduct other than the Covered Conduct;
- (d) any liability which may be asserted on behalf of any other payors or insurers, including those that are paid by the State's Medicaid program on a capitated basis;
- (e) any liability based upon obligations created by this Agreement;
- (f) any suspension or exclusion from the CMAP, the State's Medicaid program;
- (g) any liability or personal injury or property damage or for other consequential damages arising from the Covered Conduct;

- (h) any liability based on a failure to deliver items or services due; or,
- (i) any liability arising from the Covered Conduct with respect to any and all State of Connecticut professional licensing laws and regulations.

4. In consideration of the obligations of the State set forth in this Agreement, Taggart waives and discharges the State, its agencies, employees, servants, agents, officers and departments from any causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) which Taggart asserted, could have asserted, or may assert in the future against the State, its agencies, political subdivisions, employees, servants, and agents, arising from the State's investigation as addressed herein and actions regarding the Covered Conduct.

5. In the event Taggart commences, or another party commences, within 91 days of the Effective Date of this Agreement or any payment made hereunder, any case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors (a) seeking to have any order for relief of Taggart' debts, or seeking to adjudicate Taggart as bankrupt or insolvent, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for Taggart or for all or any substantial part of Taggart assets, Taggart agrees as follows, to the extent consistent with applicable law:

- (a) Taggart's obligations under this Agreement may not be avoided pursuant to 11 U.S.C. §§ 547 or 548, and Taggart shall not argue or otherwise take the position in any such case, proceeding or action that: (i) Taggart's obligations under this Agreement may be avoided under 11 U.S.C. §§ 547 or 548; (ii) Taggart was insolvent at the time this Agreement was entered into, or became insolvent as

a result of the payment made to the State hereunder; or (iii) the mutual promises, covenants, and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to Taggart.

(b) If Taggart's obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the State, at its sole option, may rescind the releases provided in this Agreement, and bring any civil and/or administrative action or proceeding against Taggart for the liability that would otherwise be covered by the releases provided in this Agreement. If the State chooses to do so, Taggart agrees that for purposes only of any actions or proceedings referenced in this first clause of this Paragraph, any such actions or proceedings brought by the State (including any proceedings to exclude Taggart from participation in the State's Medicaid program) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first clause of this Paragraph, and that Taggart shall not argue or otherwise contend that the State's actions or proceedings are subject to an automatic stay; Taggart shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative actions or proceedings which are brought by the State within 90 calendar days of written notification to Taggart that the releases herein have been rescinded pursuant to this Paragraph; and Taggart acknowledges that its obligations set forth in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

6. Taggart waives and shall not seek payment for any claims for reimbursement Cornerstone submitted to the CMAP during the period covered by the Covered Conduct nor shall he seek reimbursement from any CMAP recipients or their parents, sponsors, legally responsible individuals, or their parents, sponsors or legally responsible individuals. Taggart does not waive and this section shall not be considered a waiver of, any claims, defenses or any other rights that Taggart has or may have against Cornerstone or its employees, officers, directors, agents or contractors.

7. The Parties each represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

8. Except as expressly provided to the contrary in this Agreement, 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.

9. Except as otherwise stated in this Agreement, this Agreement is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

10. Nothing in this Agreement constitutes an agreement by the State concerning the characterization of the amounts paid hereunder, if any, for purposes of the State's revenue code.

11. This Agreement is governed by the laws of the State of Connecticut, and venue for addressing and resolving any and all disputes relating to enforcement of this Agreement shall be Superior Court for the Judicial District of Hartford.

12. The "Effective Date" of this Agreement shall be the date of signature of the last signatory to this Agreement. Facsimiles of signatures shall constitute acceptable binding signatures for purposes of this Agreement.

13. This Agreement shall be binding on all successors, transferees, heirs, and assigns of the

Parties.

14. This Agreement constitutes the complete agreement between the Parties with respect to this matter and shall not be amended except by written consent of the Parties.

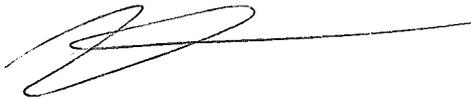
15. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Agreement.

[signatures appear on the following pages]

DATED: 2/7/15

BY:   
MICHAEL E. COLE  
ASSISTANT ATTORNEY GENERAL  
STATE OF CONNECTICUT

DATED: 4/29/15

BY:   
W. BLAKE TAGGART, M.D.