

## SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into with the State of Connecticut, acting through the Attorney General of the State of Connecticut (the "State of Connecticut"), and Affinity Behavioral Health, LLC, Julie A. Longton and Leanda M. Zupka (hereafter collectively referred to as "the Parties"), through their authorized representatives.

### RECITALS

- A. Defendant Affinity Behavioral Health LLC ("Affinity") is a Connecticut limited liability company which maintains a principal place of business at 108 West Town Street in Norwich, CT. Affinity is enrolled as a provider in the Connecticut Medical Assistance Program ("CMAP"), which includes the State's Medicaid program.
- B. Defendant Julie A. Longton ("Longton") is a marriage and family therapist licensed by the State of Connecticut and is enrolled in the CMAP as a behavioral health clinician. Longton is a 50% owner/member of Defendant Affinity.
- C. Defendant Leanda M. Zupka ("Zupka") is a clinical social worker licensed by the State of Connecticut and is enrolled in the CMAP as a behavioral health clinician. Zupka is also a 50% owner/member of Defendant Affinity.
- D. The State of Connecticut contends that, for the time period from April 1, 2013, to December 31, 2016, Affinity, Longton and Zupka, submitted or caused to be submitted claims for reimbursement to the Connecticut Department of Social Services ("DSS") for behavioral health services purportedly provided by licensed behavioral health clinicians, when they knew or should have known that unlicensed individuals who were not enrolled as behavioral health providers in the CMAP, in fact, rendered the services to Medicaid beneficiaries. This conduct is referred to below as the "Covered Conduct."

- E. This Agreement is neither an admission of liability by Affinity, Longton or Zupka, nor a concession by the State of Connecticut that its claims are not well founded.
- F. 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 Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. The damages owed, jointly and severally by Affinity, Longton and Zupka to the State of Connecticut is three hundred thousand dollars (\$300,000) ("Settlement Amount").
2. Affinity, Longton and Zupka agree to pay the Settlement Amount in full within seven (7) days of the Effective Date of this Agreement. The Settlement Amount shall be made by a bank teller check (e.g., Cashier's check) payable to "Treasurer of the State of Connecticut" and delivered to Assistant Attorney General Michael E. Cole, Chief, Antitrust and Government Program Fraud Department, Office of the Connecticut Attorney General, P.O. Box 120, 55 Elm Street, Hartford, CT 06141-0120, or such other address as the State of Connecticut provides notice of to the Defendants or, alternatively, and at the State of Connecticut's sole discretion, by electronic funds transfer pursuant to written instructions to be provided by the State of Connecticut.
3. Affinity, Longton and Zupka agree to implement a Compliance Program intended to prevent and/or detect fraud, waste and abuse in the CMAP. At a minimum, the Compliance Program shall include the following elements:
  - a. written policies, procedures and standards of conduct;
  - b. compliance program oversight (including a designated compliance officer);
  - c. effective training and education;

- d. establishing a process for communication regarding compliance issues, education, and concerns;
- e. auditing, monitoring and identification of compliance risks;
- f. appropriate and consistent policies; and,
- g. corrective action plans.

4. Within (90) days after the Effective Date of this Agreement, the Defendants shall submit a copy of the Compliance Program to the Attorney General certifying that the Compliance Program has been implemented (the "First Certification"). For a period of five (5) years from the Effective Date of this Agreement, Affinity, Longton and Zupka, shall provide the Attorney General with an annual certification (the "Annual Certification"), certifying that the Compliance Program is in effect and adhered to by Affinity, Longton and Zupka. The Annual Certification shall be received by the Attorney General no later than the anniversary date of the due date of the First Certification. The sunset of the Affinity's, Longton's and Zupka's obligation to provide the Attorney General with the Annual Certification after five (5) years does not relieve Affinity, Longton, Zupka and of their obligation to maintain a Compliance Program while enrolled as providers in the CMAP.

5. Subject to Paragraph 6 (concerning excluded claims) below, and in consideration of the obligations of Affinity, Longton and Zupka set forth in this Agreement, the State of Connecticut hereby releases waives, and discharges Affinity, Longton and Zupka from any civil claims the State of Connecticut has, or could have asserted for the Covered Conduct under the Connecticut False Claims Act, Connecticut General Statutes §§ 4-274 – 4-289.

6. This Agreement has no bearing on any criminal liability or federal liability of Affinity, Longton and Zupka may have. Notwithstanding any term of this Agreement, the State of Connecticut does not release Affinity, Longton and Zupka from any of the following liabilities:

- a. Any liability arising under the laws and regulations that are administered and enforced by the State of Connecticut Department of Revenue Services;
- b. Any criminal, civil or administrative liability arising under statutes and regulations enforced by the State of Connecticut Department of Public Health;
- c. Any civil or administrative liability that Affinity, Longton or Zupka have or may have to the State of Connecticut or to individual consumers under any statute, regulation or rule not expressly covered by the release in Paragraph 5 above, including, but not limited to, any and all of the following claims (1) state antitrust violations; and (2) claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws.
- d. Subject to the terms and conditions of the DSS Provider Enrollment Agreement, any civil or administrative liability to the State of Connecticut Department of Social Services, including suspension from the CMAP;
- e. Any liability based upon obligations created by this Agreement; and,
- g. Any civil or administrative liability for personal injury or for other consequential damages arising from the Covered Conduct.

7. Affinity, Longton and Zupka waive and shall not assert any defenses they 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 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.

8. Affinity, Longton and Zupka fully and finally release the State of Connecticut, and their respective agencies, officers, agents, employees, and servants, from any and all claims, causes of action, and/or liability of any sort (including attorney's fees, costs, and expenses of every kind and however denominated) that they have asserted, could have asserted, or may assert in the future against the State of Connecticut, their respective agencies, officers, agents, employees, and servants related to the Covered Conduct, and the State of Connecticut's investigation and civil prosecution thereof.

9. Notices: Any notification, demand, or communication from one party to another party relative to this Agreement shall be in writing and delivered by certified mail, return receipt requested. Such notice shall be effective upon receipt. Notice shall be addressed to the State of Connecticut as follows:

**Michael E. Cole, Assistant Attorney General  
Antitrust & Government Program Fraud Department  
Office of the Attorney General  
P.O. Box 120  
55 Elm Street  
Hartford, CT 06141-0120**

Notice shall be addressed to the Defendants as follows:

**Arnold I. Menchel, Esq.  
Halloran & Sage LLP  
One Goodwin Square  
225 Asylum Street  
Hartford, CT 06103**

10. 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 11 (waiver for beneficiaries paragraph), below.

11. Affinity, Longton and Zupka agree that they waive 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.

12. Each Party 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 enters in to this Agreement without any degree of duress or compulsion.

14. This Agreement is governed by the laws of the State of Connecticut. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the Connecticut Superior Court for the Judicial District of Hartford. 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 Affinity's, Longton's and Zupka's successors, transferees, heirs, and assigns.

19. All parties consent to 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 and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURE BLOCKS ON FOLLOWING PAGES]

**THE STATE OF CONNECTICUT**

GEORGE JEPSEN  
ATTORNEY GENERAL

DATED: 6/27/2018

BY:

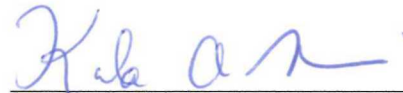


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MICHAEL E. COLE

Assistant Attorney General

Chief, Antitrust & Government Program Fraud Department

DATED: 6/27/2018 BY:



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KARLA A. TUREKIAN

Assistant Attorney General

Antitrust & Government Program Fraud Department



**AFFINITY BEHAVIORAL HEALTH, LLC**

DATED: 6/19/18

BY: Julie Longton  
JULIE LONGTON

DATED: 6/27/2018

BY: Arnold I. Menchel  
ARNOLD I. MENCHEL, ESQ.  
Counsel for Affinity

**JULIE LONGTON & LEANDA ZUPKA**

DATED: 6/19/18

BY: Julie Longton  
JULIE LONGTON

DATED: 6/19/2018

BY: Leanda Zupka  
LEANDA ZUPKA

DATED: 6/27/2018

BY: Arnold I. Menchel  
ARNOLD I. MENCHEL, ESQ.  
Counsel for Julie Longton and Leanda Zupka

**AFFINITY BEHAVIORAL HEALTH, LLC**

DATED: 6/26/2018

BY:   
JULIE LONGTON

DATED: 6/27/18

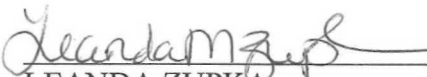
BY:   
ARNOLD I. MENCHEL, ESQ.  
Counsel for Affinity

**JULIE LONGTON & LEANDA ZUPKA**


DATED: 6/26/2018

BY:   
JULIE LONGTON

DATED: 6/26/2018

BY:   
LEANDA ZUPKA

DATED: 6/27/18

BY:   
ARNOLD I. MENCHEL, ESQ.  
Counsel for Julie Longton and Leanda Zupka