

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, the “United States”), the State of Connecticut, acting through the Attorney General of the State of Connecticut (the “State of Connecticut”), Lakshmi Bethi, DMD (“Dr. Bethi”) and the dental practices in Connecticut she owned and operated, including New Haven Dental LLC, New Haven Family Dental LLC, and New Haven Family Dental Group LLC, d/b/a Horizon Dental (collectively, “Horizon Dental”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Dr. Bethi is licensed to practice dentistry in Connecticut. At all relevant times, Dr. Bethi was the principal and operator of Horizon Dental located at 214 Grand Avenue in New Haven, Connecticut. Dr. Bethi established and then re-established the practice under new names, but each did business as Horizon Dental. Dr. Bethi and each practice she operated enrolled as dental providers in the Connecticut Medical Assistance Program (“CMAP”), which includes Connecticut’s Medicaid program. The CMAP is administered by the State of Connecticut Department of Social Services (“DSS”).

B. The United States and the State of Connecticut contend that Dr. Bethi and Horizon Dental submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medicaid”).

C. The United States and the State of Connecticut contend that they have certain civil claims against Dr. Bethi and Horizon Dental arising from submission of improper claims for reimbursement to the CMAP during the time period from January 1, 2019, through April 6,

2023. Specifically, the United States and the State of Connecticut contend they have civil claims against Dr. Bethi and Horizon Dental for the submission of claims to the CMAP related to dental services allegedly rendered to Connecticut Medicaid patients referred to Dr. Bethi or Horizon Dental by a third-party patient recruiter. The United States and the State of Connecticut contend Dr. Bethi and Horizon Dental paid the patient recruiter \$110 for each Connecticut Medicaid patient referred to them, whenever a patient received services over and above routine preventative care (such as dental cleanings and exams), in violation of the anti-kickback statute, 42 U.S.C. § 1320a-7b(b) (“AKS”). In addition, payment from the CMAP for rendering dental services is conditioned on, among other things, a provider complying with the terms and conditions of the CMAP provider agreement, as well as the terms and provisions set forth in the CMAP provider manual and all amendments or addendums thereto. Providers certify in both their provider application and their provider agreement that they will, “abide by all applicable federal and state statutes, regulations, policy transmittals, and provider bulletins . . . ,” and providers acknowledge “that the prohibitions set forth in state and federal law include, but are not limited to, the following: false statements, claims, misrepresentation, concealment, failure to disclose and conversion of benefits...any giving or seeking of kickbacks, rebates, or similar remuneration”. The CT Dental Health Partnership (“CTDHP”) provider manual is an addendum to both the CMAP provider agreement and the CMAP provider manual, and the CTDHP provider manual expressly prohibits per-patient compensation for individuals referred to CMAP providers. Each time Dr. Bethi and/or Horizon Dental submitted a claim for reimbursement to the CMAP, they impliedly certified that the conditions of receiving payment were met, including, but not limited to, that they did not violate any terms or provisions of the CMAP provider agreement and/or the CTDHP provider manual concerning the submitted claim. The United States and the State of Connecticut contend that the implied certification was false for

any claim for dental services provided to a patient who was referred to Dr. Bethi or Horizon Dental by the patient recruiter, and for whom the recruiter was paid the \$110 per-patient fee. The United States and the State of Connecticut contend that Dr. Bethi and Horizon Dental submitted or caused to be submitted during the time period from January 1, 2019, through April 6, 2023, improper claims to the CMAP for services rendered to Connecticut Medicaid patients who were referred to them by a patient recruiter, and for whom Dr. Bethi or Horizon Dental paid the recruiter \$110 per-patient in violation of the AKS, the CMAP provider agreement, and the CTDHP provider manual. That conduct is referred to below as the “Covered Conduct.”

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. Dr. Bethi and Horizon Dental agree to pay to the United States and the State of Connecticut \$608,296.39 (the “Settlement Amount”), of which \$590,211.46 is restitution to the United States and the State of Connecticut. The Settlement Amount will be satisfied as follows: Dr. Bethi and Horizon Dental hereby agree that the State of Connecticut shall retain the Medicaid funds that have been suspended and/or retained by the DSS pursuant to 42 C.F.R. § 455.23, in the amount of Six Hundred Eight Thousand Two Hundred Ninety-Six Dollars and Thirty-Nine Cents (\$608,296.39) (the “Suspended Amounts”) forevermore. Dr. Bethi and Horizon Dental expressly relinquish any and all rights of any kind that they may have with respect to the Suspended Amounts, including, but not limited to: any and all claims or rights to have an overpayment determined by the DSS audit process as described in Conn. Gen. Stat. § 17b-99, any and all rights to payment of those funds, and any and all rights to appeal, whether formally or informally and whether administratively or judicially, the right of the State of

Connecticut and/or the United States to retain those funds, and any other rights Dr. Bethi or Horizon Dental may have to challenge the withholding or the suspension of the Suspended Amounts in any respect. Dr. Bethi and Horizon Dental further agree to execute any documents necessary to effectuate the release of their right, title, and interest in the Suspended Amounts.

2. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and subject to Paragraph 5 (concerning disclosure of assets), and Paragraph 13 (concerning bankruptcy) below, and upon the United States' receipt of the Settlement Amount, the United States releases Dr. Bethi and Horizon Dental 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. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and subject to Paragraph 5 (concerning disclosure of assets), and Paragraph 13 (concerning bankruptcy) below, and upon the State of Connecticut's receipt of the Settlement Amount, the State of Connecticut releases Dr. Bethi and Horizon Dental from any civil claims the State of Connecticut has, or could have asserted, for the Covered Conduct under the Connecticut False Claims Act, Conn. Gen. Stat. § 4-274, *et seq.*, and the common law theories of payment by mistake, unjust enrichment, and fraud.

4. Notwithstanding the releases given in Paragraphs 2 and 3 of this Agreement, or any other term of this Agreement, the following claims and rights 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);

- b. Any liability arising under revenue and taxation statutes and regulations enforced by the Connecticut Department of Revenue Services;
- c. Any liability arising under statutes and regulations enforced by the Connecticut Department of Public Health;
- d. Except as explicitly stated in this Agreement, any administrative liability to the DSS, including suspension from the CMAP;
- e. Any criminal liability;
- f. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or permissive exclusion from Federal health care programs;
- g. Any liability to the United States or the State of Connecticut (or their agencies) for any conduct other than the Covered Conduct;
- h. Any liability based upon obligations created by this Agreement; and
- i. Any liability of individuals other than Dr. Bethi.

5. Dr. Bethi has provided sworn financial disclosures and supporting documents (together “Financial Disclosures”) to the United States and the State of Connecticut and the United States and the State of Connecticut have relied on the accuracy and completeness of those Financial Disclosures in reaching this Agreement. Dr. Bethi warrants that the Financial Disclosures are complete, accurate, and current as of the Effective Date of this Agreement. If the United States and the State of Connecticut learn of asset(s) in which Dr. Bethi had an interest of any kind as of the Effective Date of this Agreement (including, but not limited to, promises by insurers or other third parties to satisfy Dr. Bethi’s obligations under this Agreement) that were not disclosed in the Financial Disclosures, or if the United States and the State of Connecticut learn of any false statement or misrepresentation by Dr. Bethi on, or in connection with, the

Financial Disclosures, and if such nondisclosure, false statement, or misrepresentation changes the estimated net worth set forth in the Financial Disclosures by \$30,000 or more, the United States and the State of Connecticut may at their option: (a) rescind this Agreement and file suit based on the Covered Conduct or (b) collect the full Settlement Amount in accordance with the Agreement plus one hundred percent (100%) of the net value of Dr. Bethi's previously undisclosed assets. Dr. Bethi agrees not to contest any collection action undertaken by the United States or the State of Connecticut pursuant to this provision, and agrees that she will immediately pay the United States and the State of Connecticut the greater of (i) a ten-percent (10%) surcharge of the amount collected in the collection action, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' and the State of Connecticut's reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States, pursuant to this paragraph rescinds this Agreement, Dr. Bethi waives and agrees not to plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any civil or administrative claims that (a) are filed by the United States within 120 calendar days of written notification to Dr. Bethi that this Agreement has been rescinded, and (b) relate to the Covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement.

6. Dr. Bethi and Horizon Dental waive and shall not assert any defenses Dr. Bethi or Horizon Dental 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.

7. Dr. Bethi and Horizon Dental fully and finally release the United States, the State of Connecticut, their agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Dr. Bethi or Horizon Dental have asserted, could have asserted, or may assert in the future against the United States, the State of Connecticut, and their agencies, officers, agents, employees, and servants related to the Covered Conduct and the United States' and the State of Connecticut's investigation and prosecution thereof.

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

9. Dr. Bethi and Horizon Dental agree 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 Dr. Bethi, Horizon Dental, their present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement and any related plea agreement;
- (2) the United States' and the State of Connecticut's audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;

- (3) Dr. Bethi or Horizon Dental'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 Plea Agreement;
- (5) the payment Dr. Bethi and Horizon Dental make to the United States and the State of Connecticut 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) (hereinafter referred to as Unallowable Costs).

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: Dr. Bethi and Horizon Dental further agree that within 90 days of the Effective Date of this Agreement they 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 Dr. Bethi, Horizon Dental, or any of their 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. Dr. Bethi and Horizon Dental agree that the United States and the State of Connecticut, at a minimum, shall be entitled to recoup from Dr. Bethi or Horizon Dental 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 the State of Connecticut pursuant to the direction of the Department of Justice and/or the affected agencies. The United States and the State of Connecticut reserve their rights to disagree with any calculations submitted by Dr. Bethi and Horizon Dental or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Dr. Bethi, Horizon Dental or any of their 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 and the State of Connecticut to audit, examine, or re-examine Dr. Bethi's or Horizon Dental's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

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. Dr. Bethi and Horizon Dental 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. The Settlement Amount represents the amount the United States and the State of Connecticut are willing to accept in compromise of their civil claims arising from the Covered Conduct due solely to Dr. Bethi's and Horizon Dental's financial condition as reflected in the Financial Disclosures referenced in Paragraph 5.

13. In exchange for valuable consideration provided in this Agreement, Dr. Bethi acknowledges the following:

a. Dr. Bethi has reviewed her financial situation and warrants that she is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States and the State of Connecticut of the Settlement Amount.

b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Dr. Bethi, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.

d. The Parties do not intend to hinder, delay, or defraud any entity to which Dr. Bethi or Horizon Dental was or became indebted to on or after the date of any transfer contemplated in this Agreement, within the meaning of 11 U.S.C. § 548(a)(1).

e. If any of Dr. Bethi's or Horizon Dental's payments or 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) or if, before the Settlement Amount is paid in full, Dr. Bethi, Horizon Dental or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Dr. Bethi's or Horizon Dental's debts, or to adjudicate Dr. Bethi as bankrupt or insolvent; or seeking appointment of a receiver, trustee, custodian, or other similar official for Dr. Bethi or for all or any substantial part of Dr. Bethi's assets:

(i) the United States may rescind the releases in this Agreement and bring any civil and/or administrative claim, action, or proceeding against Dr. Bethi for the claims that would otherwise be covered by the releases provided in Paragraphs 2 and 3 above;

(ii) the United States has an undisputed, noncontingent, and liquidated allowed claim against Dr. Bethi in the amount of \$1,770,634.38, less any payments received pursuant to Paragraph 1 of this Agreement, provided, however, that such payments are not otherwise avoided and recovered from the United States and the State of Connecticut by Dr. Bethi, a receiver, trustee, custodian, or other similar official for Dr. Bethi or Horizon Dental;

f. Dr. Bethi and Horizon Dental agree that any civil and/or administrative claim, action, or proceeding brought by the United States and the State of Connecticut under Paragraph 13.e is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' and the State of Connecticut's police and regulatory power. Dr. Bethi and Horizon Dental shall not argue or otherwise contend that the United States' and the State of Connecticut's claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Dr. Bethi and Horizon Dental waive and 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 claim, action, or proceeding brought by the United States within

120 days of written notification to Dr. Bethi that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on the Effective Date of this Agreement.

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

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

16. 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 Connecticut, except disputes only between the State of Connecticut and Dr. Bethi or Horizon Dental will be resolved in 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.

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

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

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

20. This Agreement is binding on Dr. Bethi's and Horizon Dental's successors, transferees, heirs, and assigns.

21. 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.

22. 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: _____

BY: MICHELLE MCCONAGHY
MICHELLE MCCONAGHY
Assistant United States Attorney
Chief, Civil Division
District of Connecticut

Digitally signed by MICHELLE MCCONAGHY
Date: 2024.12.30 13:52:23 -05'00'

DATED: 1/3/2025

BY: Anne F. Thidemann
ANNE F. THIDEMANN
Assistant United States Attorney
District of Connecticut

DATED: _____

BY: _____
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 UNITED STATES OF AMERICA

DATED: _____

BY: _____
MICHELLE MCCONAGHY
Assistant United States Attorney
Chief, Civil Division
District of Connecticut

DATED: _____

BY: _____
ANNE F. THIDEMANN
Assistant United States Attorney
District of Connecticut

DATED: 12/19/24

BY: _____
SUSAN GILLIN
Digitally signed by SUSAN GILLIN
Date: 2024.12.19 17:00:32 -05'00'
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 STATE OF CONNECTICUT

WILLIAM TONG
ATTORNEY GENERAL

DATED: 12/18/2024

BY: 

GREGORY O'CONNELL
Deputy Associate Attorney General
Chief, Government Fraud Section

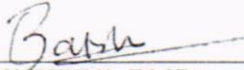
DATED: 12/18/2024

BY: 

JOSHUA L. JACKSON
Assistant Attorney General

HORIZON DENTAL

DATED: 12/17/2024 BY:



LAKSHMI BETHI, DMD

Principal of New Haven Dental LLC, New Haven Family Dental LLC, and New Haven Family Dental Group LLC, d/b/a Horizon Dental (collectively, "Horizon Dental")

DATED: 12/17/2024 BY:

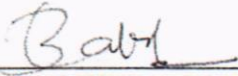



MORGAN P. RUECKERT, ESQ.

Counsel for New Haven Dental LLC, New Haven Family Dental LLC, and New Haven Family Dental Group LLC, d/b/a Horizon Dental (collectively, "Horizon Dental")

Settlement Agreement between the United States, Connecticut, Bethi and New Haven Dental, et al.

LAKSHMI BETHI, DMD

DATED: 12/17/2024 BY: 
LAKSHMI BETHI, DMD

DATED: 12/17/24 BY: 
MORGAN P. RUECKERT, ESQ.
Counsel for Dr. Bethi