

## CIVIL SETTLEMENT AGREEMENT

### I. PARTIES

This Civil Settlement Agreement (Agreement) is entered into between 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") and Ravindra Patel, M.D. ("Patel") (hereafter referred to as "the Parties").

### II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. Patel is an individual who resides in the State of New Jersey. At all times relevant herein, Patel was a Medical Doctor licensed in the State of New Jersey.

B. The United States contends that Patel submitted or caused to be submitted claims for payment to the Medicare Program (Medicare), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395hhh.

C. The United States contends that it has certain civil claims, as specified in Paragraph 3, below, for engaging in the following conduct from on or about January 1, 2004 through December 31, 2004:

- i. During the relevant time period, Patel received payments (the "Payments") from The University of Medicine and Dentistry of New Jersey ("UMDNJ") which is located in Newark, New Jersey.

The United States contends that the Payments were purportedly for Patel's services as a Clinical Associate Professor for UMDNJ, however, certain services were not rendered by Patel and the Payments exceeded the fair market value for such services. The United States further contends that in return for the Payments, Patel referred cardiac patients to UMDNJ's hospital, University Hospital, which is also located in Newark, New Jersey (the "Hospital").

- ii. Patel then submitted or caused to be submitted claims for cardiac services rendered at the Hospital to agents of the Medicare and Medicaid programs through the Hospital's cost reports (the "Claims"). The United States contends that the Claims resulted from the referrals of patients by Patel to the Hospital.

(hereinafter referred to as the "Covered Conduct").

D. Patel acknowledges that he was employed by the Hospital as a Clinical Associate Professor for UMDNJ pursuant to a contract. Patel denies any wrongdoing and contends that at all times he provided all of the services that were requested of him by the Hospital. Patel denies the contentions of the United States that the Payment was for other than the services he provided, and denies that the Claims were improper.

E. This Agreement is not an admission of any liability or wrongdoing by Patel and no inference of wrongdoing, guilt or liability should be drawn from this Agreement by third parties, nor is it a concession by the United States that its claims are not well

founded. Rather, in order to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, the Parties have decided that it is in their mutual interests to reach a full and final settlement pursuant to the Terms and Conditions below.

### III. TERMS AND CONDITIONS

1. Patel agrees to pay to the United States \$300,000.00 (the "Settlement Amount"). Patel agrees to pay the Settlement Amount by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office, District of New Jersey. An initial payment of \$30,000.00 (the "Initial Payment") shall be due within ten business days of the Effective Date of this Agreement. Thirty-six (36) payments of \$7,851.95 shall be due in monthly installments, beginning thirty (30) days from the date of the receipt of Initial Payment.

2. In the event that Patel fails to pay any amount as provided in Paragraph 1, above, within ten (10) business days of the date upon which such payment is due, Patel shall be in Default of his payment obligations ("Default"). The United States will provide written notice of the Default ("Notice of Default"), and Patel shall have an opportunity to cure such Default within five (5) business days from the date of receipt of the Notice of Default. Notice of Default will be delivered to Patel via certified U.S. mail as indicated as follows, or to such other representative as Patel shall designate in advance in writing:

Notice of Default: Dr. Ravindra Patel

5 Jenna Court

Scotch Plains, NJ 07076

- 3 -



Dr. Ravindra Patel  
42 Throckmorton Lane  
Old Bridge, NJ 08857

With a copy to: Robert A. Mintz, Esq.  
McCarter & English LLP  
Gateway Four  
100 Mulberry Street  
Newark, NJ 07102

If Patel fails to cure the Default within five (5) business days of receiving the Notice of Default, the remaining unpaid balance of the Settlement Amount shall become immediately due and payable, and interest shall accrue at the rate of 12% per annum compounded daily from the date of Default on the remaining unpaid total (principal and interest balance). Patel shall consent to a Consent Judgment in the amount of the unpaid balance, and the United States, at its sole option, may: (a) offset the remaining unpaid balance from any amounts due and owing to Patel by any department, agency, or agent of the United States at the time of the Default; or (b) exercise any other rights granted by law or in equity, including the option of referring such matters for private collection. Patel agrees not to contest any offset imposed and not to contest any collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court. Patel shall pay the United States all reasonable costs of collection and enforcement under this Paragraph, including attorney's fees and expenses.

3. Subject to the exceptions in Paragraph 6, below, in consideration of the obligations of Patel set forth in this Agreement, conditioned upon Patel's full payment of the Settlement Amount, the United States (on behalf of itself, its officers, agents, agencies, and departments) agrees to release Patel from any civil or administrative monetary claim the United States has or may have, including but not limited to, claims under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the civil monetary penalty provisions of the Stark Statute, 42 U.S.C. §§ 1395nn(g)(3) and (4); the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; and the common law theories of payment by mistake, unjust enrichment, and fraud, for the Covered Conduct.

4. OIG-HHS expressly reserves all rights to institute, direct, or to maintain any administrative action seeking exclusion against Patel from Medicare, Medicaid, or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) or 42 U.S.C. 1320a-7a (permissive exclusion).

5. In the event of Default as defined in Paragraph 2, above, OIG-HHS may exclude Patel from participating in all Federal health care programs until Patel pays the Settlement Amount and reasonable costs as set forth in Paragraph 2, above. Such exclusion shall have national effect and shall also apply to all other federal procurement and nonprocurement programs. Federal health care programs shall not pay anyone for items or services, including administrative and management services, furnished,



ordered, or prescribed by Patel in any capacity while Patel is excluded. This prohibition applies to Patel and all other individuals and entities (including, for example, anyone who employs or contracts with Patel, and any hospital or other provider where Patel provides services). The exclusion applies regardless of who submits the claim or other request for payment. Patel shall not submit or cause to be submitted to any Federal health care program any claim or request for payment for items or services, including administrative and management services, furnished, ordered, or prescribed by Patel during the exclusion. Violation of the conditions of the exclusion may result in criminal prosecution, the imposition of civil monetary penalties and assessments, and an additional period of exclusion. Patel further agrees to hold the Federal health care programs, and all federal beneficiaries and/or sponsors, harmless from any financial responsibility for items or services furnished, ordered, or prescribed to such beneficiaries or sponsors after the effective date of the exclusion. Patel waives any further notice of the exclusion under 42 U.S.C. § 1320a-7(b)(7), and agrees not to contest such exclusion either administratively or in any state or federal court. Reinstatement to program participation is not automatic. If at the end of the period of exclusion Patel wishes to apply for reinstatement, Patel must submit a written request for reinstatement to the OIG in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Patel will not be reinstated unless and until the OIG approves such request for reinstatement.

6. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including Patel) are the following:

- a. Any civil, criminal, or administrative liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Any administrative liability, including mandatory and 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 such obligations as are created by this Agreement;
- f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services; and
- g. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

7. Patel waives and shall not assert any defenses Patel may have to any criminal prosecution or administrative action relating to the Covered Conduct 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.

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

9. 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 carrier or intermediary or any state payer, related to the Covered Conduct; and Patel agrees not to resubmit to any Medicare carrier or intermediary or any state payer any previously denied claims related to the Covered Conduct, and agrees not to appeal any such denials of claims.

10. Patel agrees to the following:

a. Unallowable Costs Defined: If applicable, that 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. §§ 1395-1395hhh and 1396-1396v; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Patel, his companies, his present or former employees and agents in



connection with the following shall be "unallowable costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP):

(1) the matters covered by this Agreement and any related plea agreement;

(2) the United States' audit(s) and civil and any criminal investigation(s) of the matters covered by this Agreement;

(3) Patel'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 attorney's fees);

(4) the negotiation and performance of this Agreement and any related plea agreement;

(5) the payments Patel makes to the United States pursuant to this Agreement, including any costs and attorneys fees.

(All costs described or set forth in this Paragraph 10.a. are hereafter "unallowable costs.")

b. Future Treatment of Unallowable Costs: If applicable, these unallowable costs shall be separately determined and accounted for by Patel, and Patel 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 Patel or any of his subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

If applicable, Patel further agrees that within ninety (90) days of the Effective Date of this Agreement he 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 Patel or any of his 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. Patel agrees that the United States, at a minimum, shall be entitled to recoup from Patel 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 Patel or any of his subsidiaries or affiliates on the effect of inclusion of unallowable costs (as defined in this Paragraph) on Patel or any of his subsidiaries or



affiliates' cost reports, cost statements, or information reports. Nothing in this Agreement shall constitute a waiver of the rights of the United States to examine or reexamine the unallowable costs described in this Paragraph.

11. 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 12, below.

12. Patel 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.

13. Patel warrants that he has reviewed his financial situation and that he currently 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 his payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to Patel, within the meaning of 11 U.S.C. § 547(c)(1); and (b) conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended to and do, in fact, represent a reasonably equivalent exchange of value that is not intended to hinder, delay, or defraud any entity



to which Patel was or became indebted, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

14. 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.

15. Patel represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

16. This Agreement is governed by the laws of the United States. The Parties agree that the exclusive jurisdiction and venue for any dispute arising between and among the Parties under this Agreement is the United States District Court for the District of New Jersey.

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 individuals signing this Agreement on behalf of Patel represent and warrant that they are authorized by Patel to execute this Agreement. The United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

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 Patel's successors, transferees, heirs, and assigns.

21. All Parties consent to the United States' 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 of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

[SIGNATURE BLOCKS ON FOLLOWING PAGES]


THE UNITED STATES OF AMERICA

RALPH J. MARRA, JR.  
Acting United States Attorney  
District of New Jersey

DATED: 9/17/09

BY:   
ALEX KRIEGSMAN  
Assistant United States Attorney

DATED: 9/17/09

BY:   
GREGORY E. DEMSKE  
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



RAVINDRA PATEL

DATED: 9/13/09.

BY: Ravindra Patel  
RAVINDRA PATEL

-15-

Settlement Agreement Between  
United States and Ravindra Patel  
ME1 8966059v.4