

STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL LETITIA JAMES

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In the Matter of:

Ahmad M. Mehdi, M.D., and Ahmad M. Mehdi, M.D., P.C.
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THIS SETTLEMENT AGREEMENT (the "Agreement") was reached the 20 day of October, 2022, by and among the State of New York (hereinafter, the "State"), by the Office of the Attorney General, through the Medicaid Fraud Control Unit (hereinafter, "MFCU"), and Ahmad M. Mehdi, M.D. and Ahmad M. Mehdi, M.D., P.C. The State and Mehdi shall be collectively referred to herein as the "Parties."

WHEREAS, at all relevant times, Ahmad M. Mehdi, M.D., was and is the principal owner of Ahmad M. Mehdi, M.D., P.C., which was and is a general medical practice, with principal places of business located at 100 Sykes Street in Groton, New York 13073, and 505 Route 281 in Tully, New York 13159. Ahmad M. Mehdi, M.D., and Ahmad M. Mehdi, M.D., P.C. (together "Mehdi"), are enrolled as providers of medical services in the New York State Medical Assistance Program (hereinafter, the "Medicaid Program") under MMIS No. 01983962 and NPI No. 1427037159 as well as under MMIS No. 03167439 and NPI No. 1578693917; and

WHEREAS, the MFCU has certain civil claims against Mehdi, arising from up-coding of billings for medical service and billing for smoking cessation counseling services not sufficiently documented during the period from January 1, 2012, through September 17, 2018; and

WHEREAS, Mehdi engaged in the conduct described in this paragraph, hereinafter referred to as the "Covered Conduct:" Between January 1, 2012, through September 17, 2018 (hereinafter, the "Relevant Period"), Mehdi submitted or caused to be submitted claims for payment to the Medicaid Program under 42 U.S.C. § 1395-1396v and to various Medicaid Managed Care entities (collectively referred to herein as the "Government Payors"), and the

Government Payors relied upon such claims to make payments to Mehdi, to which Mehdi was not entitled, because in such claims, Mehdi engaged in some up-coding of billings for medical services and billing for smoking cessation counseling services that were not sufficiently documented (collectively, the “False Claims”). The Government Payors relied upon such False Claims to pay Mehdi; and

WHEREAS, Mehdi is contemporaneously entering into an agreement with the United States (the “Federal Agreement”) to resolve the United States’ claims (the “Federal Agreement”); and

WHEREAS, Mehdi wishes to resolve the civil liability for the Covered Conduct.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, the Parties agree as follows:

1. Mehdi agrees that the claims that constituted the Covered Conduct, for which payment was made, were submitted by his practice and accepts responsibility for the Covered Conduct.

2. As repayment to the State for the Covered Conduct, Mehdi shall pay to the State a total of Five Hundred Sixty-Eight Thousand Seven Hundred Fifty Dollars and No Cents (\$568,750.00) (the “State Settlement Amount”), plus interest accruing at the rate of four and a half percent (4.5%), paid in equal monthly installments, due on the first of each month, pursuant to the attached Exhibit “A.” \$260,000.00 of this repayment is restitution.

3. Default: Mehdi shall be in default of this Agreement if Mehdi fails to comply with the terms and conditions as set forth herein, in whole or in part, or if Mehdi fails to make the monthly payments, in whole or in part, on or before the due dates set forth above (“Default”). In the event of Default, the State will provide written notice of any such Default, to be sent by email and first-class mail to Mehdi, and copied to the undersigned attorney, and Mehdi will then have

seven (7) business days to cure the default (the “Cure Period”). If Mehdi fails to cure the Default within the Cure Period (“Uncured Default”), the entire remaining unpaid Settlement Amount shall be immediately due and payable, and interest shall accrue at the rate of nine percent (9%) per annum, compounded daily, on the remaining unpaid principal balance, beginning seven (7) business days after delivery of notice of default. In the event of an Uncured Default, the State, at its option, may:

- (a) rescind this Agreement and file a civil or administrative complaint against Mehdi;
- (b) seek specific performance of the Agreement by Mehdi;
- (c) offset the remaining unpaid balance from any amounts due and owing Mehdi by any department, agency, or agent of the State at the time of default;
- (d) file a civil action for the Covered Conduct; and
- (e) exercise any other rights granted by law or under the terms of this Agreement or recognizable at common law or in equity, including referral of this matter for private collection.

4. In the event that the State seeks remedies for collection or enforcement of Mehdi’s obligations hereunder, and the State substantially prevails in its collection or enforcement action, Mehdi shall be responsible for all costs and expenses incurred by the State in connection with that action.

5. In the event that the State opts to rescind this Agreement pursuant to Paragraph 3 above, Mehdi shall not 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 relate to the Covered Conduct, except to the extent such defenses existed as of the Effective Date of this Agreement.

6. Notwithstanding the foregoing, in the event of Uncured Default, as defined in Paragraph 3 above, the State, through the Office of the Medicaid Inspector General (“OMIG”) and

the United States Department of Health and Human Services, Office of Inspector General, may exclude Mehdi from participating in all State-funded healthcare programs until Mehdi cures the Default, provided, however, that so long as Mehdi is not in Default of this Agreement as defined in Paragraph 3 above, MFCU will not recommend or request that any federal or state agency exclude Mehdi from participation in any federal or state-funded healthcare program solely based on the Covered Conduct. The State will provide written notice of any such exclusion to Mehdi. Mehdi agrees not to contest exclusion on the basis of the Uncured Default either administratively or in any state or federal court. Reinstatement to program participation is not automatic. The option of exclusion for an Uncured Default as set forth in this paragraph is in addition to, and not in lieu of, the options otherwise identified in this Agreement or available to the State in the event of uncured Default.

7. Confession of Judgment: In return for the State's agreement to accept installment payments, Mehdi shall provide the State with an Affidavit of Confession of Judgment, in the form annexed hereto as Exhibit "B," in the amount of Five Hundred Sixty-Eight Thousand Seven Hundred Fifty Dollars and No Cents (\$568,750.00). Mehdi will execute the attached Affidavit of Confession of Judgment simultaneously with the execution of this Agreement. Mehdi consents to the filing of said Confession of Judgment and entry of judgment thereon (the "Judgment") without further notice. The State shall forebear from executing upon said Judgment as long as Mehdi is current on all payments due under this Agreement.

8. Notwithstanding any terms of this Agreement, this Agreement relates solely to Medicaid funds received by Mehdi for the Covered Conduct, and not to any other relationship among the Parties.

9. Subject to the exceptions below and conditioned upon full payment of the State Settlement Amount by Mehdi as set forth in Paragraph 2 above, the State releases Mehdi, their present and former parents, subsidiaries, affiliates, agents, servants, employees, attorneys,

representatives, partners, employers, insurance carriers, officers, directors, assigns, predecessors in interest, and successors in interest (the "Released Entities"), from any civil monetary claim the State has against Mehdi for the Covered Conduct under the New York False Claims Act, New York State Financial Law § 189, et seq., New York Social Services Law § 145-b, Executive Law § 63(12), Executive Law § 63-c, and common law theories of liability, including payment by unjust enrichment, fraud and breach of contract.

10. Notwithstanding the releases given in Paragraph 9, or any other term of this Agreement, the State specifically does not release any person or entity from any of the following liabilities:

- (a) Any civil or administrative liability arising under State revenue codes;
- (b) Any criminal liability;
- (c) Any administrative liability, including mandatory or permissive exclusion from the State's Medicaid Program;
- (d) Any civil or administrative liability that Mehdi has or may have to the State or to individual consumers or State program payors under any statute, regulation, or rule not expressly covered by the release in this paragraph, including but not limited to any and all claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- (e) Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;
- (f) Any liability for personal injury, patient abuse, or neglect, arising from the Covered Conduct;
- (g) Any liability which may be asserted by or on behalf of any payor or insurer paid by the State's Medicaid Program on a capitated basis, other than liability of Mehdi to the State for the Covered Conduct; and
- (h) Any liability based upon obligations created by this Agreement.

11. Mehdi waives and shall not assert any defenses, based in whole or in part upon a contention under the Double Jeopardy Clause of the Fifth Amendment of the Constitution or the Excessive Fines Clause of the Eighth Amendment of the Constitution, they may have to criminal prosecution or administrative action for the Covered Conduct, and assents that this Agreement bars such a remedy based upon the foregoing sought in any such criminal prosecution or administrative action.

12. In consideration of the obligations of the State set forth in this Agreement, Mehdi waives and discharges the State, its agencies, political subdivisions, employees, servants, and agents, from any causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) which Mehdi has asserted, could have asserted, or may assert in the future, against the State, its agencies, political subdivisions, employees, servants, and agents, related to the Covered Conduct and the State's investigation and prosecution thereof.

13. The State Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the State Medicaid Program, or any other state payor, for the Covered Conduct, and Mehdi agrees not to resubmit to the State Medicaid Program, or any other state payor, any previously denied claims, which denials were based upon the Covered Conduct, and agrees not to appeal or cause the appeal of any such denials of claims.

14. Mehdi shall not seek payment for any claims for reimbursement to the State Medicaid Program covered by this Agreement from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

15. Mehdi agrees 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. §§ 1395-1395kkk and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Mehdi or any of their

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

- i. the matters covered by this Agreement;
- ii. the State's audit and any civil and/or criminal investigation of the matters covered by this Agreement;
- iii. the investigation, defense, and corrective actions undertaken by Mehdi in response to the State's audit and any civil and/or criminal investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- iv. the negotiation and performance of this Agreement; and
- v. the payments that Mehdi makes relating to this Agreement, including costs and attorney's fees, are unallowable costs for government contracting purposes and under the Medicaid Program (hereinafter referred to as "Unallowable Costs").

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by Mehdi, and Mehdi shall not charge such Unallowable Costs directly or indirectly to any contracts with the Medicaid Program or seek payment for such Unallowable Costs through any Consolidated Fiscal Report, cost report, cost statement, information statement, or payment request submitted by Mehdi to the Medicaid Program.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Mehdi further agrees that, within 90 days of the Effective Date of this Agreement, they shall identify to applicable Medicaid fiscal agents any Unallowable Costs (as defined in Paragraph 15(a) above) that were included in payments previously sought from the Medicaid Program, including but not limited to payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Mehdi 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. Mehdi agrees that the State, at a minimum, shall be entitled to recoup from Mehdi 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, appeals, or requests for payment. Any payments due after the adjustments have been made shall be paid to the State. The State reserves its rights to disagree with any calculations submitted by Mehdi on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Mehdi's Consolidated Fiscal Reports, cost reports, cost statements, or information reports, appeals, or other payment requests.

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

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

17. This Agreement shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

18. Except as otherwise stated 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.

19. 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.

20. Mehdi will not submit any insurance claims for the Covered Conduct.

21. No portion of the Settlement Amount, nor any related expense on the part of Mehdi, shall be claimed as any tax loss or expense nor claimed on any government contract or rate application.

22. Mehdi waives any claim for any tax rebate or refund, or other governmental payment from the State, until the State Settlement Amount is satisfied. In the State's sole discretion, the State may recoup or offset any such payment, without further notice to Mehdi, for credit toward the State Settlement Amount.

23. Mehdi agrees not to take any action or to make or permit to be made any public statement in whole or in part denying, directly or indirectly, any finding in this Agreement or creating the impression that this Agreement is without factual basis. Nothing in this Paragraph: (a) affects Mehdi's testimonial obligations, or (b) right to take contrary legal or factual positions in defense of litigation or other proceedings to which the Attorney General is not a party.

24. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of the Supreme Court of the State of New York, Onondaga County, in any action to enforce or interpret this Agreement.

25. Any failure by the State to insist upon the strict performance of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon strict performance of any and all of the provisions of this Agreement.

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

27. All non-electronic payments shall be delivered by hand delivery, express courier, or first-class mail to the Medicaid Fraud Control Unit, 300 South State Street, Suite 350, Syracuse, New York 13202. Any other notices pursuant to this Agreement shall be in writing and shall, unless expressly provided otherwise herein, be given by hand delivery, express courier, and/or email, followed by postage prepaid first-class mail, addressed as follows:

To: The State: Office of the Attorney General
Medicaid Fraud Control Unit
300 South State Street, Suite 350
Syracuse, New York 13202
MFCUNotices@ag.ny.gov

To: Ahmad M. Mehdi, M.D., and
Ahmad M. Mehdi, M.D., P.C.: Ahmad Mehdi
6912 Shalimar Way, Fayetteville, NY
With a copy to David Ross
O'Connell & Aronowitz, P.C.
54 State Street, Ninth Floor
Albany, New York 12207

28. The effective date of this Agreement shall be the date of the signature of the last signatory to this Agreement ("Effective Date"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

29. This Agreement shall be binding on all successors, transferees, heirs, and assigns of Mehdi.

30. 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.


31. 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.

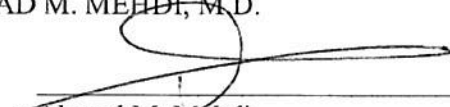
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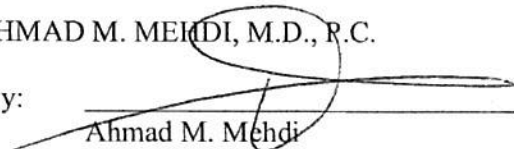
WHEREFORE, the Parties have read the foregoing Agreement and accept and agree to the provisions contained herein and hereby have caused this Agreement to be signed as of the day and date adjacent to their signature.


THE STATE OF NEW YORK

LETITIA JAMES
Attorney General of the State of New York

By:  Dated: 10/24/22
Melanie Spuches Carden
Special Assistant Attorney General
Medicaid Fraud Control Unit
300 South State Street, Suite 350
Syracuse, New York 13202

AHMAD M. MEHDI, M.D.
By:  Dated: 10-21-2022
Ahmad M. Mehdi

AHMAD M. MEHDI, M.D., P.C.
By:  Dated: 10-21-2022
Ahmad M. Mehdi

Approved as to Form 
By: _____ Dated: October 24, 2022
David R. Ross, Esq.
O'Connell & Aronowitz, P.C.
54 State Street, Ninth Floor
Albany, New York 12207
Counsel for Ahmad M. Mehdi, M.D., and
Ahmad M. Mehdi, M.D., P.C.

State of New York)

ss: County of ^{NY} ~~Onondaga~~)

at Cortland County

On the 2 (day of ~~April~~, in the year 2022, before me, the undersigned, a Notary Public in and for said State, personally appeared Ahmad M. Mehdi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same in his capacity as owner of Ahmad M. Mehdi, M.D., P.C., and that by his signature on the instrument, the individual and/or the entity upon behalf of which the individual acted, executed the instrument.

LC

NOTARY PUBLIC

BRIAN C. ANJESKI
Notary Public, State of New York
Qualified in Cortland County
Reg. #01AN6138811
My Commission Expires Dec. 27, 2 025

STATE OF NEW YORK
SUPREME COURT: COUNTY OF ONONDAGA

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STATE OF NEW YORK,

Plaintiff,

- against -

AFFIDVIT OF
CONFESSION OF
JUDGMENT
Index No.

Ahmad M. Mehdi, M.D., and Ahmad M. Mehdi, M.D., P.C.,

Defendants.


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STATE OF NEW YORK) ss.:
COUNTY OF ONONDAGA)

Ahmad M. Mehdi, M.D., being duly sworn deposes and says:

1. I am the defendant in this lawsuit.
2. I reside at 6912 Shalimar Way in the Village of Fayetteville, County of Onondaga, and State of New York.
3. I hereby confess judgment in favor of the Plaintiff in the amount of Five Hundred Sixty-Eight Thousand Seven Hundred Fifty Dollars and No Cents (\$568,750.00).
4. This Affidavit of Confession of Judgment is for a debt justly due to the Plaintiff State of New York arising from the Settlement Agreement dated October 20, 2022, by and between Ahmad M. Mehdi, M.D., and Ahmad M. Mehdi, M.D., P.C., and Plaintiff State of New York.
5. I acknowledge that the State of New York has a right to recover the debt set out in Paragraph 3 above. Accordingly, I am indebted to the Plaintiff State of New York in the amount of Five Hundred Sixty-Eight Thousand Seven Hundred Fifty Dollars and No Cents (\$568,750.00).
6. This Affidavit of Confession of Judgment is not given for the purpose of securing the Plaintiff against a contingent liability, and it is not an installment loan within the prohibition of Section 3201 of the Civil Practice Law and Rules.
7. I authorize the Plaintiff and/or its assigns to enter Judgment against me on this Affidavit of Confession of Judgment in the Supreme Court of the State of New York, County of Onondaga, and in any other county in which I own property, at any time without further notice to me.

Dated: Syracuse, New York
October 20, 2022


Ahmad M. Mehdi, M.D.