



Legislation Text

File #: 20-0474, Version: 1

Dept/ Agency: Law

Action: () Ratifying (X) Authorizing () Amending

Purpose: Settlement of Civil Litigation

Docket No.: *New Jersey Primary Care Association, Inc. v. State of New Jersey Department of Human Services et al.*, Docket No 3:12-cv-00413

Claimant: New Jersey Primary Care Association, Inc.

Claimant's Attorney: Feldesman, Tucker Leifer, Fidell, LLP

Attorney's Address: 1129 20th Street NW, Suite 400, Washington, DC 20036

Settlement Amount: City to receive \$827,946.00 minus fees and expenses related to lawsuit and payment of outstanding dues and fees resulting in a net settlement amount of \$735,186.00.

Funding Source: N/A

Additional Comments:

Settlement of civil action brought by New Jersey Primary Care Association, Inc. on behalf of the City of Newark, Department of Health and Community Wellness, operating as Mary Eliza Mahoney Health Center, a Federally Qualified Health Center, and other Federally Qualified Health Centers operating in the State of New Jersey for among other things, Medicaid Wraparound payments

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WHEREAS, the City of Newark, Department of Health and Community Wellness ("NDHCW") operates the Mary Eliza Mahoney Health Center, which is a Federally Qualified Health Center, located at 110 William Street, Newark, New Jersey; and

WHEREAS, the New Jersey Primary Care Association, Inc. ("NJPCA") represents twenty (20) Federally Qualified Health Centers in New Jersey, including the Mary Eliza Mahoney Health Center, ("FQHCs"), and is committed to fostering collaborations among the FQHCs to ensure access to comprehensive healthcare services; and

WHEREAS, the State of New Jersey Department of Human Services failed to make appropriate payments to FQHCs, including the Mary Eliza Mahoney Health Center, for Medicaid wraparound payments for Medicaid covered encounters; and

WHEREAS, NJPCA on January 24, 2012, filed a lawsuit in Federal District Court in New Jersey against the State of New Jersey (the "State") on behalf of its member centers, FQHCs captioned *New Jersey Primary Care Association, Inc. v. State of New Jersey Department of Human Services et al.*, Case No. 3:12-cv-00413 (D. N.J.) (the "Lawsuit") , through its attorneys, Feldesman, Tucker, Leifer, Fidell LLP ("Feldesman Tucker"); and

WHEREAS, the monetary aspects of the lawsuit for all Medicaid wraparound payments through December 31, 2018, has been settled in the amount of Twenty Million Dollars and Zero Cents (\$20,000,000.00) ("Partial Settlement"), which was negotiated based on the information provided by the FQHCs, and said amount is to be distributed amongst the FQHCs represented by the

NJPCA; and

WHEREAS, based on the information provided by NDHCW, the NJPCA has determined that NDHCW's share of the Partial Settlement is Eight Hundred Twenty Seven Thousand Nine Hundred Forty Six Thousand Dollars and Zero Cents (\$827,946.00)("Settlement Amount"); and

WHEREAS, the State of New Jersey Department of Human Services ("DHS") has agreed to make payment of the Partial Settlement prior to the dismissal of the lawsuit to all the FQHCs and continue discussions for purposes of settlement of the lawsuit as it pertains to remaining policy and procedure issues and monetary claims starting from January 1, 2019; and

WHEREAS, DHS prepared a Waiver and Release, confirming that the FQHC's accept the Partial Settlement as full and final satisfaction of all Medicaid wraparound payments for claims with dates of service through December 31, 2018, to be signed by the FQHCs; and

WHEREAS, upon the DHS's receipt of the executed Waiver and Release, DHS has agreed to release a check payable to NDHCW for the Settlement Amount to Feldesman Tucker; and

WHEREAS, NJPCA requires the FQHCs to execute an Agreement ("Agreement"), which is between NJPCA and each FQHCs, consenting to the settlement; authorizing the release of all unpaid Medicaid claims through December 31, 2018; payment of all expenses, costs, and legal fees related to the lawsuit, and outstanding membership dues, fees or assessments to NJPCA, totaling Ninety Two Thousand Seven Hundred Sixty Dollars and Zero Cents (\$92,760.00); and

WHEREAS, upon NJPCA's receipt of the executed Agreement, Feldesman Tucker shall deposit the check issued to NDHCW for the Settlement Amount into its Attorney Trust Account, and make the appropriate disbursements for costs and expenses related to the lawsuit and outstanding dues, fees or assessments due and owing to NJPCA, resulting in a Net Settlement Amount of Seven Hundred Thirty Five Thousand One Hundred Eighty Six Dollars and Zero Cents (\$735,186.00) ("Net Settlement Amount") to NDHCW; and

WHEREAS, the Corporation Counsel, based upon all facts and circumstances presented, deems it is in the best interest of the City of Newark to resolve the monetary aspect of the lawsuit representing unpaid Medicaid claims through December 31, 2018, by accepting the Partial Settlement, executing the Waiver and Release and the Agreement, and accepting the Net Settlement Amount of Seven Hundred Thirty Five Thousand One Hundred Eighty Six Dollars and Zero Cents (\$735,186.00).

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Corporation Counsel is authorized on behalf of the City of Newark, Department of Health and Community Wellness, to negotiate, and accept the terms of the Agreement with New Jersey Primary Care Association, Inc. (NJPCA) and Waiver and Release with State of New Jersey Department of Human Services (DHS), attached hereto.
2. The Corporation Counsel and/or the Director of the Department of Health and Community Wellness are authorized to execute the Agreement between the NJPCA and the Department

of Health and Community Wellness.

3. The Corporation Counsel and/or the Director of Finance are authorized to receive the Settlement Amount of Eight Hundred Twenty Seven Thousand Nine Hundred Forty Six Dollars and Zero Cents (\$827,946.00) of which Ninety Two Thousand Seven Hundred Sixty Dollars and Zero Cents (\$92,760.00) shall be deducted by Feldesman, Tucker Leifer, Fidell, LLP (Feldesman Tucker) to cover the costs and expenses related to the lawsuit and outstanding membership dues, fees, and/or assessments due to NJPCA.
4. In exchange for the execution of the Agreement, acceptable in form to the Corporation Counsel and after passage of this Resolution and upon receipt by the Corporation Counsel and the Director of Finance of any and all other documents deemed necessary, the Director of Finance of the City of Newark is authorized to accept the Net Settlement Amount in the amount of Seven Hundred Thirty Five Thousand One Hundred Eighty Six Dollars and Zero Cents (\$735,186.00), which shall be provided in the form of a check from Feldesman, Tucker, Leifer, Fidell, LLP.

STATEMENT

This Resolution authorizes the Corporation Counsel, on behalf of the City of Newark to partially resolve the litigation captioned *New Jersey Primary Care Association, Inc. v State of New Jersey Department of Human Services, et al.*, by executing a Waiver and Release for the State of New Jersey Department of Human Services, executing an Agreement with the New Jersey Primary Care Association, Inc., and resulting in a net Settlement Amount to the City of \$735,186.00.