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DIVISION OF ADMINISTRATIVE HEARINGS

**STATE OF FLORIDA
DIVISION OF ADMINISTRATIVE HEARINGS**

**AGE INSTITUTE OF FLORIDA, INC.,
d/b/a THE BARTOW CENTER,
d/b/a BAY CONVALESCENT AND
REHABILITATION CENTER,
d/b/a BOCA CIEGA CENTER,
d/b/a CLEARWATER CENTER,
d/b/a EGRET COVE CENTER,
d/b/a EMERALD COAST CENTER,
d/b/a THE GROVES CENTER,
d/b/a THE LAKELAND HILLS CENTER,
d/b/a TARPON BAYOU CENTER,
d/b/a UNIVERSITY EAST CENTER,
d/b/a THE UNIVERSITY WEST CENTER,**

Petitioners,

v.

**AGENCY FOR HEALTH CARE
ADMINISTRATION,**

Respondent.

**DOAH CASE NO: 02-0003MPI,
02-0004MPI, 02-0005MPI, 02-
0006MPI, 02-0007MPI, 02-
0008MPI, 02-0009MPI, 02-
0010MPI, 02-0011MPI, 02-
0012MPI, 02-0013MPI**

JUDGE: William F. Quattlebaum

**Provider nos.: 212873, 212997,
212989, 213004, 212911, 212890,
212903, 212881, 212865, 212849,
212831**

**Audit nos.: NH99-001, NH99-002,
NH99-003, NH99-004, NH99-005,
NH99-007, NH99-011, NH99-013,
NH99-014**

SETTLEMENT AGREEMENT

STATE OF FLORIDA, AGENCY FOR HEALTH CARE ADMINISTRATION

("AHCA" or "the Agency"), and AGE INSTITUTE OF FLORIDA, INC. ("PROVIDER"), by

and through the undersigned, hereby stipulate and agree as follows:

1. This Agreement is entered into between the parties for the purpose of avoiding the costs and burdens of litigation.
2. PROVIDER is a Medicaid provider in the State of Florida, operating a nursing home that was audited by the Agency.
3. The Agency conducted audits of the PROVIDER'S cost reports for the periods ending: February 28, 1997, and July 31, 1997 (Egret Cove, Emerald Coast, and University East Center).
4. In its Audit Reports issued on November 2, 2001, AHCA notified PROVIDER that a review of the cost report revealed that, in its opinion, some claims in whole or in part were not reimbursable by Medicaid. The Agency further notified PROVIDER of the adjustments, which AHCA were making to the cost reports. In response to the Audit Reports, PROVIDER filed timely petitions for administrative hearings that were assigned DOAH Case Nos. 02-0003, 02-0004, 02-0005, 02-0006, 02-0007, 02-0008, 02-0009, 02-0010, 02-0011, 02-0012, and 02-0013.
5. In its petitions for administrative hearing, PROVIDER identified specific adjustments that it appealed.
6. Subsequent to issuance of the Audit Report, AHCA and PROVIDER exchanged documents and discussed adjustments that were at issue.
7. As a result of the aforementioned exchanges, the parties agree that the Agency's adjustments which were the subject of these proceedings, as they relate to the cost report for the year ending February 28, 1997, from the Age Institute of Florida,

Inc. (audit #s NH99-001, NH99-002, NH99-003, NH99-004, NH99-005, NH99-007, NH99-011, NH99-013, NH99-014, shall be resolved as follows:

- a. Egret Cove Center for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31, 1996: cost reported as \$43,842, reduced by \$9,573 to a cost of \$34,269. October 16, 1996 to April 15, 1997: cost reported as \$9,625, reduced by \$8,369 to a cost of \$1,256. April 16, 1997 to July 31, 1997: cost reported as \$23,844, reduced by \$12,858 to a cost of \$10,986. The cost total being reported as \$77,311 reduced by a total of \$30,800 for a final cost total of \$46,511.
- b. Emerald Coast Center: No reductions made.
- c. Lakeland Hills Center: for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31, 1996: cost reported as \$29,364 reduced by \$13,063 to a cost of \$16,301. September 1, 1996 to October 15, 1996: cost reported as \$6,655 reduced by \$4,085 to a cost of \$2,570. October 16, 1996 to February 28, 1997: cost reported as \$26,721 reduced by \$24,838 to a cost of \$1,883. The total cost being reported as \$62,740 reduced by \$41,986 to a final cost of \$20,754.
- d. Tarpon Bayou Center: for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31, 1996: cost reported as \$19,761

reduced by \$1,482 to a cost of \$18,279. September 1, 1996 to October 15, 1996: cost reported as: \$4,791 reduced by \$4,791 to a cost of \$0. October 16, 1996 to February 28, 1997: cost reported as \$13,281 reduced by \$11,820 to a cost of \$1,461. The total cost being reported as \$37,833 reduced by a total of \$18,093 for a final cost total of \$19, 740.

- e. The Bartow Center as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: for Capital Additions and Improvements Acquisition costs: January 1, 1996 to August 31, 1996: cost reported as \$20,271 reduced by \$7,941 to a cost of \$12,330. September 1, 1996 to October 15, 1996: cost reported as \$3,619 with no reduction. October 16, 1996 to February 28, 1997: cost reported as \$79,544 reduced by \$72,875 to a cost of \$6,669. The total cost being reported as \$103,434 with a total reduction of \$80,816 for a final cost total of \$22,618.
- f. The Groves Center- for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31, 1996: cost reported as \$16,432, reduced by \$2,910 to a cost of \$13,522. October 16, 1996 to February 28, 1997: cost reported as \$16,381, reduced by \$12,986 to a cost of \$3,395. The total cost being reported as \$32,813, with a total reduction of \$15,896 for a final cost total of \$16,917.
- g. University Center West- for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of

the audit report: January 1, 1996 to August 31,1996: cost reported as \$2,623, reduced by \$689 to a cost of \$1,934. September 1, 1996 to October 15,1996: cost reported as \$23,492, reduced by \$20,342 to a cost of \$3,150. October 16,1996 to February 28,1997 cost reported as \$25,603, reduced by 17,117 to a cost of \$8,486. The total cost being reported as \$51,718, reduced by a total of \$38,148 for a final cost of \$13,570.

- h. University Center East- for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31,1996: cost reported as \$861 with no reductions. October 16,1996 to April 15, 1997: cost reported as \$11,179, reduced by \$7,628 to a cost of \$3,551. April 16, 1997 to July 31, 1997: cost reported as \$32,221, reduced by \$9,503 to a cost of \$22,718. The total cost being reported as \$44,261, reduced by a total of \$17,131 for a final cost of \$27,130.
- i. Bay Convalescent and Rehabilitation Center- for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31,1996: cost reported as \$8,012 with no reductions. September 1,1996 to October 15,1996: cost reported as \$14,356, reduced by 14,356 to a cost of \$0. October 16,1996 to February 28,1997: cost reported as \$15,000, reduced by \$12,750 to a cost of \$2,250. The total cost being reported as \$37,368, reduced by a total of \$27,106 for a final cost of \$10,262.

- j. Boca Ciega Center- for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31,1996: cost reported as \$12,956 with no reductions. October 16, 1996 to February 28,1997: cost reported as \$86,974, reduced by \$86,974 to a cost of \$0. The total cost being reported as \$99,930, reduced by a total of \$86,974 for a final cost of \$12,956.
 - k. Clearwater Center- for Capital Additions and Improvements Acquisition costs as disclosed in the Schedule of Fair Rental Value System Data, page 7 of the audit report: January 1, 1996 to August 31,1996: cost reported as \$12,270 with no reductions. October 16,1996 to February 28,1997: cost reported as \$96,359, reduced by \$91,983 to a cost of \$4,376. The total cost being reported as \$108,629 , reduced by a total of \$91,983 for a final cost total of \$16,646.
- 8. In order to resolve this matter without further administrative proceedings, PROVIDER and AHCA expressly agree that the adjustment resolution, as set forth above, will resolve and settle this case completely. As such, this agreement constitutes PROVIDER's withdrawal of the petitions for administrative hearing, with prejudice.
- 9. PROVIDER and AHCA further agree that the Agency shall recalculate the per diem rate for these time periods, and issue a notice of the recalculation. Where PROVIDER was overpaid, PROVIDER will remit payment to the Agency in the full amount of the cost within thirty (30) days of such notice. Where PROVIDER

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was underpaid, AHCA will remit payment to the PROVIDER in the full amount of the underpayment within forty-five (45) days of such notice.

Payment shall be made to:

AGENCY FOR HEALTHCARE ADMINISTRATION
Medicaid Accounts Receivable
Post Office Box 13749
Tallahassee, Florida 32317-3749

PROVIDER
Age Institute of Florida
Suite 5
785 Fifth Avenue, Third Floor
Chambersburg, PA 17201

Any payment shall clearly indicate that it is per a settlement agreement, shall **reference the DOAH Case Number**, and shall **reference the audit number**.

10. PROVIDER agrees that failure to pay any monies due and owing under the terms of this Agreement shall constitute PROVIDER'S authorization for the Agency, without further notice, to withhold the total remaining amount due under the terms of this agreement from any monies due and owing to PROVIDER for any Medicaid claims.
11. PROVIDER and AHCA reserve the right to enforce this Agreement under the laws of the State of Florida, the Rules of the Medicaid Program, and all other applicable rules.
12. This settlement does not constitute an admission of wrongdoing or error by either party with respect to this case or any other matter. However, the parties believe that this matter should be settled because the parties have agreed to the terms contained within this agreement.

13. Each party shall bear its own attorneys' fees and costs, if any.
14. The signatories to this Agreement, acting in a representative capacity, represent that they are duly authorized to enter into this Agreement on behalf of the respective parties. The parties further agree that a facsimile or photocopy reproduction of this agreement shall be sufficient for the parties to enforce the agreement and to cancel the hearing in this matter. PROVIDER agrees, however, to forward a copy of this agreement to AHCA with original signatures, and understands that a Final Order may not be issued until said agreement is received by AHCA.
15. This Agreement shall be construed in accordance with the provisions of the laws of Florida. Venue for any action arising from this Agreement shall be in Leon County, Florida.
16. This Agreement constitutes the entire agreement between PROVIDER and the AHCA, including anyone acting for, associated with or employed by them, concerning all matters and supersedes any prior discussions, agreements or understandings; there are no promises, representations or agreements between PROVIDER and the AHCA other than as set forth herein. No modification or waiver of any provision shall be valid unless a written amendment to the Agreement is completed and properly executed by the parties.
17. This is an Agreement of settlement and compromise, made in recognition that the parties may have different or incorrect understandings, information and contentions, as to facts and law, and with each party compromising and settling

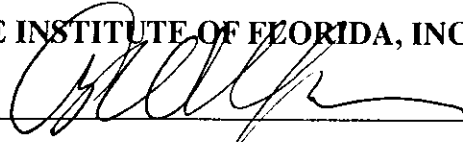
any potential correctness or incorrectness of its understandings, information and contentions as to facts and law, so that no misunderstanding or misinformation shall be a ground for rescission hereof.

18. PROVIDER expressly waives in this matter its right to any hearing pursuant to sections 120.569 or 120.57, Florida Statutes, the making of findings of fact and conclusions of law by the Agency, and all further and other proceedings to which it may be entitled by law or rules of the Agency regarding this proceeding and any and all issues raised herein, other than enforcement of this Agreement.

PROVIDER further agrees that the Agency shall issue a Final Order which is consistent with the terms of this settlement, that adopts this Agreement and closes this matter.

19. This Agreement is and shall be deemed jointly drafted and written by all parties to it and shall not be construed or interpreted against the party originating or preparing it.
20. To the extent that any provision of this Agreement is prohibited by law for any reason, such provision shall be effective to the extent not so prohibited, and such prohibition shall not affect any other provision of this Agreement.
21. This Agreement shall inure to the benefit of and be binding on each party's successors, assigns, heirs, administrators, representatives and trustees.

AGE INSTITUTE OF FLORIDA, INC.

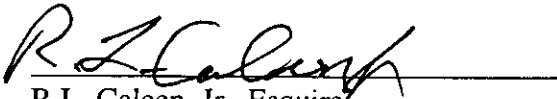


By: CAROL A. TSCHOPP
(print name above)

ITS: PRESIDENT
(print title above)

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ADMINISTRATIVE
HEALTH CARE

Dated: 17 May, 2002

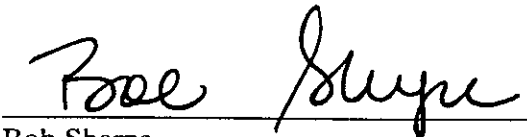


R.L. Caleen, Jr., Esquire
Watkins & Caleen, P.A.
1725 Mahan Drive, Suite 201
Tallahassee, FL 32308

Dated: 4 June, 2002

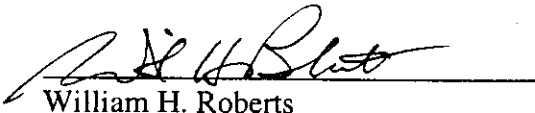
AGENCY FOR HEALTH CARE
ADMINISTRATION

2727 Mahan Drive, Mail Stop #3
Tallahassee, FL 32308-5403



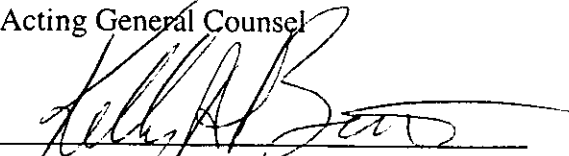
Bob Sharpe
Deputy Secretary, Medicaid

Dated: _____, 2002



William H. Roberts
Acting General Counsel

Dated: 6/24, 2002



Kelly A. Bennett
Assistant General Counsel

Dated: June 5th, 2002