USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #:
DATE FILED: 12/18/2025

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA et al. ex rel. KEVIN G. MURPHY, Plaintiffs, v. NEW YORK-PRESBYTERIAN HEALTHCARE SYSTEM, INC., et al., Defendants.	21 Civ. 1762 (NSR)
UNITED STATES OF AMERICA, Plaintiff-Intervenor, v. NEW YORK-PRESBYTERIAN HUDSON VALLEY HOSPITAL, Defendant.	

STIPULATION AND ORDER OF SETTLEMENT AND DISMISSAL

WHEREAS, this Stipulation and Order of Settlement and Dismissal ("Stipulation") is entered into by and among plaintiff the United States of America (the "United States" or the "Government"), by its attorney, Jay Clayton, United States Attorney for the Southern District of New York, and on behalf of the Office of Inspector General for the Department of Health and Human Services ("OIG-HHS"); the relator Kevin Murphy ("Relator"), by his authorized representatives; and defendant New York-Presbyterian Hudson Valley Hospital ("NYPHV" or "Defendant," and together with the Government and Relator, the "Parties"), by its authorized representatives;

WHEREAS, in 2015, New York Presbyterian Hospital ("NYP") began the process of acquiring Hudson Valley Hospital Center ("Hudson Valley"), and, in so doing, assumed control and active-parent status over Hudson Valley, which then became known as NYPHV, and began to integrate Hudson Valley's clinical services and operations.

WHEREAS, at all relevant times, Hudson Valley and later NYPHV was, a not-for-profit hospital located in Cortlandt Manor, New York;

WHEREAS, in July 2011, Hudson Valley entered into two agreements with an oncology practice located in Westchester County (the "Oncology Practice") under which one of its physician principals would serve as the Medical Director of a proposed melanoma center (the "Melanoma Center") and the other physician principal would serve as the Medical Director of a proposed breast cancer center (the "Breast Center");

WHEREAS, in September 2012, Hudson Valley entered into a third agreement with the Oncology Practice under which the Oncology Practice would develop, manage, market, and integrate an intraoperative radiation therapy service line (the "IORT Service Line") as part of Hudson Valley's Department of Radiation Oncology (collectively, with the agreements concerning the Melanoma Center and the Breast Center, the "Agreements");

WHEREAS, intraoperative radiation therapy, also known by its acronym IORT, is a radiation treatment that is done during surgery in which high doses of radiation are directed to specific areas of the body in order to treat cancers that are difficult to remove during surgery;

WHEREAS, Hudson Valley made annual payments to the Oncology Practice in connection with the Agreements, and NYPHV continued to make these payments to the Oncology Practice after it assumed control over Hudson Valley in 2015;

WHEREAS, on or about February 25, 2021, Relator filed a complaint under the *qui tam* provisions of the False Claims Act ("FCA"), 31 U.S.C. § 3729 *et seq.*, against NYPHV and others alleging that Hudson Valley and NYPHV violated the FCA by paying kickbacks to the Oncology Practice in exchange for patient referrals and submitting claims to Medicare and Medicaid for services provided to these patients that resulted from violations of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7(b) ("AKS"), and the Stark Law, 42 U.S.C.§ 1395nn ("Stark Law") (the "Relator Complaint");

WHEREAS, the Government alleges that from January 2011 through December 2019 (the "Covered Period"), Hudson Valley and Defendant offered and paid remuneration to the Oncology Practice in the form of millions of dollars of fees in connection with the Agreements, including payments for work that was not performed, to induce the Oncology Practice to refer its patients to Hudson Valley and NYPHV for oncology-related medical services in violation of the AKS and the Stark Law. As a result of the foregoing, Hudson Valley and NYPHV submitted false claims for payment to Medicare and Medicaid for services provided to these patients in violation of the FCA. The conduct described in this Paragraph is the "Covered Conduct" for purposes of this Stipulation;

WHEREAS, contemporaneous with the filing of this Stipulation, the Government is filing a Notice of Election to Partially Intervene and Complaint-In-Intervention in the above-referenced *qui tam* action ("Government Complaint"), in which it is asserting claims against Defendant under the FCA and common law for the Covered Conduct;

WHEREAS, Defendant intends to enter into a separate settlement agreement with the State of New York (the "State Settlement") to resolve claims asserted by New York under the New York

State False Claims Act for the Covered Conduct, and has agreed to pay a total of $367,353.98 to New York pursuant to the State Settlement;

WHEREAS, the Parties have, through this Stipulation, reached a mutually agreeable resolution addressing the claims asserted against Defendant in the Government Complaint and the Relator Complaint, for the Covered Conduct;

NOW, THEREFORE, upon the Parties' agreement IT IS HEREBY ORDERED that:

TERMS AND CONDITIONS

1. The Parties agree that this Court has subject matter jurisdiction over this action and consent to this Court's exercise of personal jurisdiction over each of them.

2. Defendant admits, acknowledges and accepts responsibility for the following conduct (the "Admitted Conduct"):

a. In or around 2010, Hudson Valley was seeking to expand its oncology department, including its breast surgery practice.

b. In July 2011, Hudson Valley entered into an agreement with the Oncology Practice, which specialized in breast surgery services. Under the agreement, Hudson Valley provided space, equipment, and services to the Oncology Practice.

c. Hudson Valley proceeded to enter into three separate agreements with the Oncology Practice: (i) an agreement under which one of its physician principals ("Physician A") would serve as the Medical Director of the proposed Melanoma Center at the hospital (the "Melanoma Directorship Agreement"); (ii) an agreement under which the other physician principal ("Physician B") would serve as the Medical Director of the proposed Breast Center at the hospital (the "Breast Center Directorship Agreement"); and (iii) an agreement under which the Oncology Practice would develop, manage, market, and integrate the IORT Service Line as part of the hospital's Department of Radiation Oncology (the "IORT Management Services Agreement").

d. Under each agreement, the Oncology Practice received an annual fee for the services that were supposed to be provided by the Oncology Practice and its two physician principals, Physician A and Physician B, or their designees.

e. In 2015, New York Presbyterian Healthcare System began the process of acquiring Hudson Valley and, in so doing, assumed control and active-parent status over Hudson Valley and began to integrate Hudson Valley's clinical services and operations. By October 2016, NYPHV was, or at minimum should have been, aware that the Oncology Practice was performing only a portion of the work called for under the IORT Management Services Agreement and was not performing the majority of the work being called for under the Melanoma Directorship Agreement. Nevertheless, NYPHV continued paying the Oncology Practice its fees under each of these agreements for another three years. Under the Melanoma Center Directorship Agreement and the Breast Center Directorship Agreement, Physician A and Physician B were each required to maintain time records of services provided and submit time reports to Hudson Valley, and later NYPHV, on a monthly basis. Under the IORT Management Services Agreement, the Oncology Practice was responsible for keeping a log of the time spent managing the IORT Service Line.

f. As described below, between 2011 and 2019, Hudson Valley and NYPHV together paid the Oncology Practice over $4 million pursuant to the Agreements for work that was either not performed, not performed as called for in the Agreements, or for which NYPHV lacks any time records. The Oncology Practice was required to submit these records to Hudson Valley, and later NYPHV, under the Melanoma and Breast Center Directorship Agreements.

g. During this period, the Oncology Practice referred Medicare and Medicaid patients to Hudson Valley and later NYPHV for clinical services, including surgical procedures and pathology services.

The Melanoma Directorship Agreement

h. The Melanoma Directorship Agreement had a duration of five years—beginning on July 5, 2011, and expiring on July 5, 2016—and required the hospital to pay the Oncology Practice an annual fee of $185,000. In exchange, Physician A or their designee was required to devote at least 50 hours per month to performing their duties as Medical Director, including the primary task of developing and operating the Melanoma Center and establishing standards and indicators for quality measures for its programs. The Agreement required Physician A to maintain time records reflecting the services provided and to submit monthly reports to the hospital as a prerequisite to payment.

i. The Oncology Practice and Physician A never developed or established the Melanoma Center as envisioned by the Melanoma Directorship Agreement and, accordingly, Physician A did not perform the primary duties of a Medical Director as envisioned by the Melanoma Directorship Agreement.

Further, at least by 2012, Physician A did not provide 50 hours of work per month toward developing or establishing the Melanoma Center and NYPHV was unable to identify any time records from the Covered Period documenting Physician A's or their designee's work related to the Melanoma Directorship Agreement.

j. NYPHV did not execute a written extension of the Melanoma Directorship Agreement after it expired on July 5, 2016. Nevertheless, NYPHV continued to pay the Oncology Practice $185,000 per year through 2019, despite the absence of any written agreement.

k. Between 2011 and 2019, Hudson Valley and NYPHV together paid the Oncology Practice over $1.6 million to provide the services set forth in the Melanoma Directorship Agreement, including principally the establishment and operation of the Melanoma Center. However, the Melanoma Center was never established as envisioned by the Melanoma Directorship Agreement.

The IORT Management Services Agreement

l. The IORT Management Services Agreement had a duration of approximately four years—beginning on September 3, 2012, and expiring on June 30, 2016—and required the hospital to pay the Oncology Practice an annual fee of $125,000. In exchange, the Oncology Practice was required to devote at least 45 hours per month to providing management services related to the IORT Service Line. The IORT Management Services Agreement required the Oncology Practice to maintain time records reflecting the services provided and to submit such records upon the hospital's request.

m. However, NYPHV was unable to identify any time records from the Covered Period documenting the work performed by the Oncology Practice under the agreement. And, accordingly, NYPHV cannot confirm whether the Oncology Practice ever provided the 45 hours of work per month on the IORT Service Line, as required by the IORT Management Services Agreement.

n. NYPHV did not execute a written extension of the IORT Management Services Agreement after it expired on June 30, 2016. Nevertheless, NYPHV continued to pay the Oncology Practice $125,000 per year through 2019, despite the absence of any written contract.

o. Between 2012 and 2019, NYPHV paid the Oncology Practice over $900,000 for services provided in connection with the IORT Service Line even though the Oncology Practice, including Physicians A and B, failed to

devote the type and quantity of management services required under the IORT Management Services Agreement.

The Breast Center Directorship Agreement

p. The Breast Center Directorship Agreement had a duration of five years—beginning on July 5, 2011, and expiring on July 5, 2016—and required the hospital to pay the Oncology Practice an annual fee of $185,000. In exchange, Physician B or their designee was required to devote at least 50 hours per month to performing their duties as Medical Director, including developing and operating the Breast Center and establishing standards and indicators for quality measures for its programs. The Breast Center Directorship Agreement required Physician B to maintain time records reflecting the services provided and to submit monthly reports to the hospital as a prerequisite for payment.

q. However, NYPHV was unable to identify any time records from the Covered Period documenting Physician B's or their designee's work related to the Breast Center Directorship Agreement.

r. NYPHV did not execute a written extension of the Breast Center Directorship Agreement after it expired in 2016. Nevertheless, NYPHV continued to pay the Oncology Practice $185,000 per year through 2019, despite the absence of any written agreement. In total, between 2011 and 2019, Hudson Valley and NYPHV together paid the Oncology Practice over $1.6 million for services provided in connection with the Breast Center despite the absence of a written agreement after 2016 and the lack of any time records documenting the work performed by Physician B (or their designee) as required by the Breast Center Directorship Agreement.

3. Defendant shall pay to the Government within fourteen (14) business days of the Effective Date (defined below in Paragraph 29) the sum of $6,469,410.32 plus interest which shall be compounded annually at a rate of 4.25% accruing from November 27, 2025, to the date of the payment (the "Settlement Amount") in accordance with instructions to be provided by the Financial Litigation Unit of the United States Attorney's Office for the Southern District of New York. Of the Settlement Amount, $3,234,705.16 constitutes restitution to the United States.

4. Defendant agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Stipulation. Upon reasonable notice,

Defendant shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Defendant further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

5. Subject to the exceptions in Paragraph 9 (concerning reserved claims), Paragraph 10 (concerning default), and Paragraph 15 (concerning bankruptcy proceedings) below, and conditioned on Defendant's full compliance with the terms of this Stipulation, including full payment of the Settlement Amount to the United States pursuant to Paragraph 3 above, the United States releases Defendant, including its subsidiaries and corporate predecessors, successors and assigns, from any civil or administrative monetary claim that the United States has for the Covered Conduct under the FCA, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Program Fraud Civil Remedies Act, 31 U.S.C. § 3801-3812, and the common law theories of fraud, payment by mistake, and unjust enrichment. For avoidance of doubt, this Stipulation does not release any current or former officer, director, employee, or agent of Defendant from liability of any kind.

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

7. Subject to the exceptions in Paragraph 9 (concerning reserved claims), Paragraph 10 (concerning default), and Paragraph 15 (concerning bankruptcy proceedings) below, and conditioned on Defendant's full compliance with the terms of this Stipulation, including full payment of the Settlement Amount to the United States pursuant to Paragraph 3 above, Relator, for himself and his heirs, successors, attorneys, agents, and assigns, releases Defendant, including its subsidiaries and corporate predecessors, successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Relator has against Defendant related to or arising from the Relator Complaint or his employment with NYPHV; provided, however, that nothing in this Stipulation shall preclude Relator from seeking to recover his reasonable expenses and attorneys' fees and costs pursuant to 31 U.S.C. § 3730(d). For the avoidance of doubt, other than as set forth in this Paragraph, nothing in this Stipulation modifies, interferes with, or invalidates any prior release included in any agreement to which Relator has entered into with or involving NYPHV or Hudson Valley.

8. In consideration of the execution of this Stipulation by Relator and the Relator's release as set forth in Paragraph 7 above, Defendant, including its subsidiaries and corporate predecessors, successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, release Relator and his heirs, successors, attorneys, agents, and assigns, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Defendant has against Relator related to or arising from the Relator Complaint.

9. Notwithstanding the releases given in Paragraph 5 above, or any other term of this Stipulation, the following claims of the Government are specifically reserved and are not released by this Stipulation:

a. any liability arising under Title 26, United States Code (Internal Revenue Code);

b. any criminal liability;

c. except as explicitly stated in this Stipulation, any administrative liability or enforcement right, including but not limited to the mandatory or permissive exclusion from 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) (permissive exclusion);

d. any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

e. any liability based upon obligations created by this Stipulation; and

f. any liability of individuals.

10. Defendant shall be in default of this Stipulation if Defendant fails to make the required payment set forth in Paragraph 3 above on or before the due date for such payment, or if it fails to comply materially with any other term of this Stipulation that applies to it ("Default"). The Government will provide a written Notice of Default to Defendant of any Default in the manner set forth in Paragraph 28 below. Defendant shall then have an opportunity to cure the Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due and paying any additional interest accruing under the Stipulation up to the date of payment. If Defendant fails to cure the Default within seven (7) calendar days of receiving the

Notice of Default ("Uncured Default"), interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance). In the event of an Uncured Default, Defendant shall agree to the entry of a consent judgment in favor of the United States against Defendant in the amount of the Settlement Amount as attached hereto as Exhibit A. Defendant also agrees that the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Stipulation, and reinstate the claims asserted against Defendant in the Government Complaint, or bring any civil and/or administrative claim, action, or proceeding against Defendant for the claims that would otherwise be covered by the releases provided in Paragraph 5 above, with any recovery reduced by the amount of any payments previously made by Defendant to the United States under this Stipulation; (ii) take any action to enforce this Stipulation in a new action or by reinstating the Government Complaint; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendant and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Stipulation, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Defendant agrees immediately to pay the United States the greater of (i) a ten-percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Stipulation pursuant to this paragraph, Defendant waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that (i) are filed by the United States against

Defendant within 120 days of written notification that this Stipulation has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on February 25, 2021. Defendant agrees not to contest any offset, recoupment, and /or collection action undertaken by the United States pursuant to this paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States. In the event of an Uncured Default, OIG-HHS may exclude Defendant from participating in all Federal health care programs until Defendant pays the Settlement Amount, with interest, as set forth above ("Exclusion for Default"). OIG-HHS will provide written notice of any such exclusion to Defendant. Defendant 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, Defendant wishes to apply for reinstatement, it must submit a written request for reinstatement to OIG-HHS in accordance with the provisions of 42 C.F.R. §§ 1001.3001-.3005. Defendant will not be reinstated unless and until OIG-HHS approves such request for reinstatement. The option for Exclusion for Default is in addition to, and not in lieu of, the options identified in this Stipulation or otherwise available.

11. Defendant, having truthfully admitted to the Admitted Conduct set forth in Paragraph 2 hereof, agrees it shall not, through its attorneys, agents, officers, or employees, make any public statement, including but not limited to, any statement in a press release, social media forum, or website, that contradicts or is inconsistent with the Admitted Conduct or suggests that the Admitted Conduct is not wrongful (a "Contradictory Statement"). Any Contradictory Statement by Defendant, its attorneys, agents, officers, or employees, shall constitute a violation of this Stipulation, thereby authorizing the Government to pursue any of the remedies set forth in

Paragraph 10 hereof, or seek other appropriate relief from the Court. Before pursuing any remedy, the Government shall notify Defendant that it has determined that Defendant has made a Contradictory Statement. Upon receiving notice from the Government, Defendant may cure the violation by repudiating the Contradictory Statement in a press release or other public statement within four business days. If Defendant learns of a potential Contradictory Statement by its attorneys, agents, officers, or employees, Defendant must notify the Government of the statement within 24 hours. The decision as to whether any statement constitutes a Contradictory Statement or will be imputed to Defendant for the purpose of this Stipulation, or whether Defendant adequately repudiated a Contradictory Statement to cure a violation of this Stipulation, shall be within the sole discretion of the Government. Consistent with this provision, Defendant may raise defenses and/or assert affirmative claims or defenses in any proceeding brought by private and/or public parties, so long as doing so would not contradict or be inconsistent with the Admitted Conduct.

12. Relator and his heirs, successors, attorneys, agents, and assigns shall not object to this Stipulation; Relator agrees and confirms that the terms of this Stipulation are fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

13. Defendant agrees that it waives and shall not seek payment for any of the health care billings covered by this Stipulation from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

14. Defendant waives and shall not assert any defenses Defendant 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 Stipulation bars a remedy sought in such criminal prosecution or administrative action.

15. In exchange for valuable consideration provided in this Stipulation, Defendant acknowledges the following:

a. Defendant has reviewed its financial situation and warrants that it 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 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 Defendant, 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 Defendant was or became indebted on or after the date of any transfer contemplated in this Stipulation, within the meaning of 11 U.S.C. § 548(a)(1).

e. If Defendant's obligations under this Stipulation 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, Defendant 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 Defendant's debts, or to adjudicate Defendant as bankrupt or insolvent, or seeking appointment of a receiver, trustee, custodian, or other similar official for Defendant or for all or any substantial part of Defendant's assets:

(1) the United States may rescind the releases in this Stipulation and bring any civil and/or administrative claim, action, or proceeding against Defendant for the claims that would otherwise be covered by the releases provided in Paragraph 5 above;

(2) the United States has an undisputed, noncontingent, and liquidated allowed claim against Defendant in the amount of $6,469,410.32, less any payments received pursuant to the Stipulation, provided, however, that such payments are not otherwise avoided and recovered from the United States by Defendant, a receiver, trustee, custodian, or other similar official for Defendant; and

(3) if any payments are avoided and recovered by Defendant, a receiver, trustee, custodian, or similar official for Defendant**,** Relator shall, within thirty days of written notice from the United States to the undersigned Relator's counsel, return any portions of such payments already paid by the United States to Relator.

f. Defendant agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 15(e) above 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' police and regulatory power. Defendant shall not argue or otherwise contend that the United States' 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). Defendant waives 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 Defendant that the releases have been rescinded pursuant to this paragraph, except to the extent such defenses were available on February 25, 2021.

16. 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 contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and Defendant agrees not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

17. Defendant 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. §§ 1395-1395lll and 1396-1396w-6; and the regulations

and official program directives promulgated thereunder) incurred by or on behalf of Defendant, including its present or former officers, directors, employees, shareholders. and agents in connection with:

(1) the matters covered by this Stipulation;

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

(3) Defendant's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with matters covered by this Stipulation (including attorneys' fees);

(4) the negotiation and performance of this Stipulation; and

(5) any payment Defendant makes to the United States pursuant to this Stipulation and any payment Defendant may make to Relator, including expenses, costs and attorneys' fees;

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 Defendant, and Defendant 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 Defendant or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Stipulation, Defendant 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 Defendant or any of its 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. Defendant agrees that the United States, at a minimum, shall be entitled to recoup from Defendant 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, including the Department of Justice and/or the affected agencies, reserves its rights to disagree with any calculations submitted by Defendant or any of its subsidiaries or affiliates on the effect of inclusion of

Unallowable Costs (as defined in this paragraph) on Defendant or any of its subsidiaries' or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Stipulation shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendant's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

18. This Stipulation 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 as otherwise provided herein.

19. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Stipulation; provided, however, nothing in this Stipulation shall preclude Relator from seeking to recover his expenses or attorneys' fees and costs from Defendant, pursuant to 31 U.S.C. § 3730(d).

20. Any failure by the Government to insist upon the full or material performance of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and the Government, notwithstanding that failure, shall have the right thereafter to insist upon the full or material performance of any and all of the provisions of this Stipulation.

21. This Stipulation is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Stipulation is the United States District Court for the Southern District of New York.

22. For purposes of construing this Stipulation, this Stipulation shall be deemed to have been drafted by all Parties to this Stipulation and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

23. This Stipulation constitutes the complete agreement between the Parties with respect to the subject matter hereof. This Stipulation may not be amended except by written consent of the Parties. No prior agreements, oral representations or statements shall be considered part of this Stipulation.

24. The undersigned counsel and other signatories represent and warrant that they are fully authorized to execute this Stipulation on behalf of the persons and the entities indicated below.

25. This Stipulation is binding on Defendant's successors, transferees, heirs, and assigns.

26. This Stipulation is binding on Relator's successors, transferees, heirs, and assigns.

27. This Stipulation may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation. E-mails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Stipulation.

28. Any notice pursuant to this Stipulation shall be in writing and shall, unless expressly provided otherwise herein, be delivered by hand, express courier, or e-mail transmission followed by postage-prepaid mail, and shall be addressed as follows:

TO THE UNITED STATES:

Jacob M. Bergman
Assistant United States Attorney
United States Attorney's Office
Southern District of New York
86 Chambers Street, Third Floor
New York, New York 10007
Email: jacob.bergman@usdoj.gov

TO DEFENDANT:

Emily A. Vance
Jennifer Gilbert
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Email: evance@paulweiss.com
jgilbert@paulweiss.com

TO RELATOR:

Kevin P. Mulry
Farrell Fritz, P.C.
400 RXR Plaza
Uniondale, New York 11556
Email: kmulry@farrellfritz.com

29. The effective date of this Stipulation is the date upon which the Stipulation is approved by the Court (the "Effective Date").

Agreed to by:

THE UNITED STATES OF AMERICA

Dated: New York, New York
December 12, 2025

JAY CLAYTON
United States Attorney for the
Southern District of New York

By: 

Jacob M. Bergman
Assistant United States Attorney
86 Chambers Street, Third Floor
New York, New York 10007
Tel.: (212) 637-2776

Attorney for the United States of America

RELATOR

Dated: Venice, Florida
December 5, 2025

By: _____
Kevin G. Murphy
Relator

Dated: Uniondale, New York
December 5, 2025

FARELL FRITZ, P.C.

By: _____
Kevin P. Mulry
Farrell Fritz, P.C.
400 RXR Plaza
Uniondale, New York 11556
Tel: (516) 227-0620

Attorneys for Relator

DEFENDANT

Dated: New York New York
December 10, 2025

New York-Presbyterian
Hudson Valley Hospital

By: _____
Michael Breslin
Senior Vice President
Chief Financial Officer and Treasurer

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

By: _____
Emily A. Vance
Jennifer Gilbert

Paul, Weiss, Rifkind,
Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Tel.: (212) 373-3000

Attorneys for Defendant

SO ORDERED:

Dated: December 18, 2025
White Plains, NY

NELSON S. ROMÁN
United States District Judge

Exhibit A

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA et al. ex rel. KEVIN G. MURPHY, Plaintiffs, v. NEW YORK-PRESBYTERIAN HEALTHCARE SYSTEM, INC., et al., Defendants.	21 Civ. 1762 (NSR) **CONSENT JUDGMENT**
UNITED STATES OF AMERICA, Plaintiff-Intervenor, v. NEW YORK-PRESBYTERIAN HUDSON VALLEY HOSPITAL, Defendant.	

Upon the consent of Plaintiff the United States of America and Defendant New York-Presbyterian Hudson Valley Hospital, it is hereby:

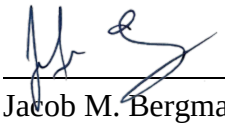
ORDERED, ADJUDGED and DECREED: that Plaintiff the United States of America is awarded judgment in the amount of $6,469,410.32 against New York-Presbyterian Hudson Valley Hospital, as well as post-judgment interest at the rate of 12% per annum compounded annually.

SO STIPULATED AND AGREED TO BY:

THE UNITED STATES OF AMERICA

Dated: New York, New York
December 12, 2025

JAY CLAYTON
United States Attorney for the
Southern District of New York

By: 

Jacob M. Bergman
Assistant United States Attorney
86 Chambers Street, Third Floor
New York, New York 10007
Tel.: (212) 637-2776

Attorney for the United States of America

DEFENDANT

Dated: New York New York
December 10 2025

New York-Presbyterian
Hudson Valley Hospital

By: _____
Michael Breslin
Senior Vice President
Chief Financial Officer and Treasurer

PAUL, WEISS, RIFKIND, WHARTON & GARRISON LLP

By: _____
Emily A. Vance
Jennifer Gilbert

Paul, Weiss, Rifkind,
Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Tel.: (212) 373-3000

Attorneys for Defendant

Dated: December 18, 2025
White Plains, NY

SO ORDERED:

_____
NELSON S. ROMÁN
United States District Judge