

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into between the United States of America, acting through the United States Department of Justice, and Newark Beth Israel Medical Center, Inc. (“NBI”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. NBI is a 665-bed community-based teaching hospital in Newark, New Jersey, that provides comprehensive healthcare in the northern New Jersey metropolitan area. Among its many patient services, NBI features a Center for Advanced Heart Failure and Transplant (“Heart Transplant Program”).

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

C. The United States contends that NBI provided unnecessary medical treatment to patients in its Heart Transplant Program. Specifically, the United States contends that, from January 1, 2018 through December 31, 2019, doctors working in NBI’s Heart Transplant Program failed to adequately disclose to patients and their family members material medical information about patients’ conditions and asked patients and their families to consent to medical treatment without providing full information about the conditions of the patients and the need for that medical treatment, preventing patients and their families from making fully informed decisions about care. The United States further contends that this resulted in NBI performing unnecessary medical treatment on patients. This conduct is referred to below as the “Covered Conduct.”

D. NBI denies the allegations in Paragraph C and contends that NBI and the doctors in its Heart Transplant Program did not provide unnecessary medical treatment to patients. NBI also contends that it always adequately disclosed to patients and their families all material medical information about patients' conditions. NBI further contends that it never asked patients or their families to consent to medical treatment without having provided them with full information about the conditions of the patients and the need for that medical treatment and that it never prevented patients or their families from making fully informed decisions about the patients' medical care.

E. This Agreement is made in compromise of disputed claims. Thus, this Agreement is neither an admission of liability by NBI nor a concession by the United States that its claims are not well founded.

F. To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. NBI shall pay to the United States two hundred fifty thousand dollars (\$250,000) ("Settlement Amount") by electronic funds transfer. Following the execution of the Agreement, the United States Attorney's Office for the District of New Jersey will provide NBI with written wiring instructions. NBI agrees to pay the Settlement Amount no later than fifteen (15) days after receiving the written wiring instructions. In the event that the Settlement Amount is not paid within fifteen (15) days of the written wiring instructions, interest shall accrue on the Settlement Amount at the rate of 4.25 percent per year.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases NBI, and its

parents, predecessors, successors, business affiliates, subsidiaries, and divisions from any civil common law monetary claims the United States has for the Covered Conduct.

3. Notwithstanding the release given in Paragraph 2 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

- a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);
- b. Any criminal liability;
- c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory or 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 civil liability to the United States (or its agencies) arising under the False Claims Act, 31 U.S.C. §§ 3729-3733 for any conduct related or unrelated to the Covered Conduct;
- e. Any liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

4. NBI waives and shall not assert any defenses NBI 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 Agreement bars a remedy sought in such criminal prosecution or administrative action.

5. NBI fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that NBI has asserted, could have asserted, or may assert in the future against the United States, and its agencies, officers, agents, employees, and servants related to the Covered Conduct and the United States' investigation and prosecution thereof. However, this release will be null and void if the United States brings any actions based upon the "claims and rights" enumerated in Paragraph 3 of this Agreement.

6. 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 as provided for in this Agreement.

7. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

8. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

9. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the District of New Jersey. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

10. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

11. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the Parties they represent.

12. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

13. This Agreement is binding on NBI's successors, transferees, heirs, and assigns.

14. Either Party may disclose this Agreement, and information about this Agreement, to the public.

15. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date of this Agreement"). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

ALINA HABBA
United States Attorney
District of New Jersey

DATED: _____

BY: _____

ROBERT L. TOLL
Assistant United States Attorney
District of New Jersey

NEWARK BETH ISRAEL MEDICAL CENTER, INC.

DATED: 6/13/2025

BY:


Darrell K. Terry, Sr., MHA, MPH, FACHE, and FHELA

DATED: 6/13/2025

BY:



PAUL J. FISHMAN

BY:



JOHN M. FIETKIEWICZ
Arnold & Porter Kaye Scholer, LLP
Counsel for Newark Beth Israel Medical Center