

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is entered into among the United States of America, acting through the United States Department of Justice and on behalf of the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services (HHS) (collectively, the “United States”), and Traditions Health, LLC (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Traditions Health, LLC (“Traditions”) is a Delaware limited liability company with headquarters located at 6840 Carothers Parkway, Franklin, Tennessee, 37067. Traditions’ subsidiaries provide home health care services to patients in Kansas, Missouri, Oklahoma and Texas, and bill the Medicare program for those home health care services.

B. On September 9, 2024, and April 2, 2025, Traditions voluntarily disclosed to OIG-HHS conduct regarding its home health business through the OIG-HHS’s Provider Self-Disclosure Protocol (hereafter referred to as the “Self-Disclosure Protocol”). Specifically,

(1) On September 9, 2024, Traditions voluntarily disclosed to OIG-HHS that Traditions’ McAlester, Oklahoma hub office and related branch offices¹ billed and were reimbursed by Medicare for home health care services rendered to patients who may have been ineligible to receive such services because Traditions lacked adequate documentation of either: (1) a required face-to-face (FTF) doctor’s visit and/or (2) a need for skilled nursing services, both of which are required for Medicare coverage (collectively, “Medical Necessity Issues”).

¹ The related branch offices that operated under the National Provider Identifier Number for the McAlester hub office (McAlester NPI) are located in the following areas of Oklahoma: Morris, Park Hill, Poteau, Red Oak, and Warner (collectively with the McAlester hub office, the “McAlester NPI Offices”).

Traditions discovered this conduct in connection with responding to an audit request from the applicable Unified Program Integrity Contractor.

(2) In its February 6, 2025, supplement to its prior self-disclosure, Traditions disclosed information regarding medical director arrangements between certain referring physicians and the McAlester NPI Offices that may have violated the Physician Self-Referral Law, 42 U.S.C. § 1395nn (the “Stark Law”) and/or the federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) (“AKS”), because the medical directors were compensated under the arrangements for services that (1) the medical directors may have failed to perform, (2) may not have been reasonable and necessary, and/or (3) the medical directors rendered prior to the parties fully executing the written agreement for the arrangement(s).

(3) On April 2, 2025, Traditions submitted a second self-disclosure to OIG-HHS identifying additional potential violations of the Stark Law and AKS for medical director arrangements between certain referring physicians and the following entities, all of which are wholly owned by Traditions Health, LLC: Traditions Health Care of Eufaula, LLC dba Traditions Health based in Eufaula, Oklahoma; Axxess Home Care, Inc. dba Traditions Health of Checotah, based in Checotah, Oklahoma; Traditions Health Care of Purcell, LLC dba Traditions Health, based in Purcell, Oklahoma; Traditions Health Care of Houston/Galveston, LLC dba Traditions Health, based in Tomball, Texas; Traditions Health Care of Ennis, LLC dba Traditions Health, based in Waxahachie, Texas; and Traditions Health Care of Tyler, LLC dba Traditions Health Care, based in Tyler, Texas. Traditions disclosed that these medical director arrangements potentially violated the Stark Law and/or the AKS because the medical directors were compensated under them for services that (1) the medical directors may have failed to perform, (2) may not have been reasonable and necessary, and/or (3) the medical directors rendered prior to the parties fully executing the written agreement for the arrangement(s).

C. Traditions represents that it performed a root cause analysis of the problematic conduct and took the following corrective action steps: (1) terminated certain employees responsible for the conduct and took disciplinary action against others; (2) promptly terminated all home health medical director contracts; (3) provided additional training and education to its staff; and (4) retained an outside consultant to perform a gap assessment of Traditions' compliance program and advise on remediation efforts to close any such gaps.

D. Traditions received credit under the Department of Justice's guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justice Manual §4-4.112.

E. The United States contends that Traditions submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll ("Medicare").

F. The United States contends that it has certain civil claims against Traditions arising from (1) knowingly submitting claims to Medicare for home health services provided by Traditions Health Care of McAlester, LLC during the period from January 1, 2021 through November 4, 2024 that were not medically necessary; and (2) knowingly and willfully paying remuneration, in violation of the AKS, to physician medical directors in exchange for referrals of patients (hereinafter "Medicare Beneficiaries") whose claims (the "Claims") were billed to Medicare by Traditions Health Care of McAlester, LLC (from January 1, 2021 through February 9, 2025); Traditions Health Care of Eufala (from January 1, 2021 through September 30, 2024); Axxess Home Care, Inc. (from December 31, 2020 through September 30, 2024); Traditions Healthcare of Purcell, LLC (from February 26, 2024 through December 10, 2024); Traditions Health Care of Houston/Galveston, LLC (from January 30, 2019 through June 20, 2024);

Traditions Health Care of Ennis, LLC (from November 1, 2021 through January 19, 2025); and Traditions Health Care of Tyler, LLC (from June 1, 2020 through March 7, 2025).

The United States further contends that the compensation paid to the physician medical directors created financial relationships under the Stark Law between Traditions and the physicians, that those physicians referred the Medicare Beneficiaries to Traditions for designated health services, and that Traditions furnished the designated health services ordered by those physicians and submitted the Claims to Medicare. The United States further contends that the financial relationships between Traditions and the physicians did not satisfy the requirements of any exception to the Stark Law. The United States further contends that the referrals of the physicians to Traditions for designated health services were, therefore, prohibited, and the submission of the Claims to Medicare for the improperly referred services violated the Stark Law and the False Claims Act.

This conduct is referred to below as the “Covered Conduct.”

G. This Settlement Agreement is neither an admission of liability by Traditions nor a concession by the United States that its claims are not well founded.

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 Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. GBHHC Holding Corporation, the former owner of Traditions, on behalf of Traditions, shall pay to the United States \$34,000,000 (“Settlement Amount”), of which \$22,682,460 is restitution, and interest on the Settlement Amount at a rate of 4.250% per annum from October 27, 2025 continuing until and including the day of payment. Such payment shall be

made no later than ten days after the Effective Date of this Agreement. Payment shall be made by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, plus interest due under Paragraph 1, the United States releases Traditions together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors, owners, and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Administrative False Claims Act, 31 U.S.C. §§ 3801-3812; the civil monetary provisions of the Stark Law at 42 U.S.C. §§ 1395nn(g)(3) and (g)(4), or the common law theories of payment by mistake, unjust enrichment, and fraud.

3. In consideration of Traditions' self-disclosure of this matter and Traditions' obligations in this Agreement, and upon the United States' receipt of full payment of the Settlement Amount, plus interest due under Paragraph 1, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Traditions under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this paragraph and in Paragraph 4 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Traditions from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the

Covered Conduct. Nothing in this paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 4, below.

4. 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 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 liability based upon obligations created by this Agreement;
- f. Any liability of individuals;
- g. Any liability for failure to deliver goods or services due; and
- h. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

5. Traditions waives and shall not assert any defenses Traditions 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.

6. Traditions 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 Traditions 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.

7. 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 Traditions 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.

8. Traditions 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-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Traditions, its present or former officers, directors, employees, shareholders, and agents in connection with:

- (1) the matters covered by this Agreement;
- (2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;
- (3) Traditions' investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in

connection with the matters covered by this Agreement (including attorneys' fees);

- (4) the negotiation and performance of this Agreement; and
- (5) the payment Traditions makes to the United States pursuant to this Agreement.

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

c. Treatment of Unallowable Costs Previously Submitted for Payment: Traditions further agrees that within 90 days of the Effective Date of this Agreement it 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 Traditions 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. Traditions agrees that the United States, at a minimum, shall

be entitled to recoup from Traditions 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 reserves its rights to disagree with any calculations submitted by Traditions or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Traditions or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

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

9. 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 to the extent provided for in Paragraph 10 (waiver for beneficiaries paragraph), below.

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

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

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

13. 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 Eastern District of Oklahoma. 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.

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

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

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

17. This Agreement is binding on Traditions' successors, transferees, heirs, and assigns.

18. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

19. 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.

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THE UNITED STATES OF AMERICA

DATED: _____

BY: **JONATHAN HOERNER** Digitally signed by JONATHAN HOERNER
Date: 2026.01.09 15:22:29 -05'00'
Jonathan K. Hoerner
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: **JOSHUA MITTS** Digitally signed by JOSHUA MITTS
Date: 2026.01.09 14:15:23 -06'00'
Christopher J. Wilson
United States Attorney
Eastern District of Oklahoma
By: Joshua M. Mitts
Assistant United States Attorney
Eastern District of Oklahoma

DATED: _____

BY: **KENNETH KRAFT** Digitally signed by KENNETH KRAFT
Date: 2026.01.09 08:56:25 -05'00'
Susan E. Gillin
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

TRADITIONS HEALTH, LLC

DATED: 1/2/2026

BY: *Daniel Shoemaker*
Dan Shoemaker
Chief Executive Officer, Traditions Health, LLC

DATED: 1/2/2026

BY: *B. Barnett*
Brett W. Barnett
McGuireWoods LLP
Counsel for Traditions Health, LLC

GBHHC HOLDING CORPORATION

DATED: 1/5/2026

BY: *Michael Landerer*
Michael Landerer
Director, GBHHC Holding Corporation

DATED: 1/5/2026

BY: *Laura Laemmle-Weidenfeld*
Laura F. Laemmle-Weidenfeld
Jones Day
Counsel for GBHHC Holding Corporation