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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), and Aetna Inc. (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Aetna Inc. is a business corporation organized under the laws of the Commonwealth of Pennsylvania with its principal place of business in Hartford, Connecticut. Aetna Inc. owns and operates Medicare Advantage (“MA”) organizations, which offer MA managed healthcare plans (“MA plans”) to Medicare beneficiaries under Part C the Medicare Program. Hereinafter, Aetna Inc. and its MA organizations shall be referred to as “Aetna.”

B. Under the MA Program, private health-insurance organizations known as “MA organizations” agree to provide Medicare coverage to Medicare beneficiaries in exchange for capitated payments (*i.e.*, fixed monthly payments for each enrollee) from the Centers for Medicare & Medicaid Services (CMS), which is the component within HHS that administers the program. CMS adjusts these payments for various “risk” factors that affect expected healthcare expenditures to ensure that MA organizations are paid more for sicker enrollees expected to incur higher healthcare costs and less for healthier enrollees expected to incur lower costs. As a part of obtaining these adjustments, MA organizations submit “risk adjustment” data, including medical diagnosis codes, to CMS.

C. The United States contends that Aetna knowingly submitted or caused to be submitted false claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”), and made or caused to be made false attestations

material to Medicare's payments of false claims. The United States also contends that Aetna knowingly and improperly avoided or decreased an obligation to repay Medicare.

D. The United States contends that it has certain civil claims against Aetna arising from the conduct described below. That conduct is referred to in this Agreement as the "Covered Conduct."

At all relevant times, Aetna entered annual written contracts with CMS pursuant to which it offered its MA plans to Medicare beneficiaries. To ensure that the government calculates risk adjusted payments using accurate and truthful diagnosis codes, federal regulations require that the codes submitted by MA organizations be supported by the medical records of the beneficiaries enrolled in their MA plans. Given the critical importance of accurate data, a prerequisite to payment under the program is that MA organizations expressly certify "based on best knowledge, information, and belief" that the information they have provided is "accurate, complete, and truthful," 42 C.F.R. § 422.504(l)(2). This requirement was also set forth in the contracts between Aetna and CMS. Aetna submitted such a signed certification to CMS every year.

The United States contends that, for payment year 2015, Aetna operated a "chart review" program, pursuant to which it retrieved medical records (also known as charts) from healthcare providers documenting services they had previously rendered to Medicare beneficiaries enrolled in Aetna's plans. Aetna retained professional healthcare coders to conduct retrospective reviews of some of those charts to identify all risk-adjusting medical conditions that the charts supported. Aetna relied on the results of its chart reviews to submit additional diagnosis codes to CMS that the healthcare providers had not reported, and these codes increased the payments made by CMS for these beneficiaries. However, the United States contends that Aetna's chart reviews also did not substantiate some diagnosis codes reported by healthcare providers. In other words, healthcare providers had reported diagnosis codes for beneficiaries enrolled in Aetna's MA plans that Aetna's coders did not find when reviewing those beneficiaries' charts for all supported diagnosis codes. But the United States contends that Aetna did not investigate or withdraw all of the unsubstantiated, invalid diagnoses codes that it had previously submitted to CMS for payments. The United States contends that Aetna then submitted false certifications to CMS that its data was "accurate, complete, and truthful."

E. This Settlement Agreement is neither an admission of liability by Aetna nor a concession by the United States that its claims are not well founded. Aetna denies the United States' allegations in Paragraph D.

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. Aetna shall pay to the United States \$106,200,000 (“Settlement Amount”), of which \$53,100,000 is restitution, and interest on the Settlement Amount at a rate of 4.25% per annum from February 6, 2026 until paid, no later than 30 days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the Department of Justice.

2. Subject to the exceptions in Paragraph 3 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Aetna, 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 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 Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

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 liability based upon obligations created by this Agreement;
- f. Any liability of individuals;

4. Aetna waives and shall not assert any defenses Aetna 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. Aetna 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 Aetna 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.

6. 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 Aetna 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.

7. Aetna 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 Aetna, 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) Aetna's 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 Aetna makes to the United States pursuant to this Agreement, including 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 Aetna, and Aetna 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 Aetna or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment:

Aetna 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 Aetna 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. Aetna agrees that the United States, at a minimum, shall be entitled to recoup from Aetna 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 Aetna or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Aetna 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 Aetna's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

8. 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 9 (waiver for beneficiaries paragraph), below.

9. Aetna 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.

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

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

12. 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 Pennsylvania. 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.

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

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

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

16. This Agreement is binding on Aetna's successors, transferees, heirs, and assigns.

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

18. 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

DATED: 3/9/20

BY: Nelson Wagner

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BY: _____

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THE UNITED STATES OF AMERICA

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DATED: 3/9/26

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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

AETNA INC.

DATED: _____


BY:



Edward C. Lee
Vice President and Secretary of Aetna Inc.

DATED: March 9, 2026

BY:



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Counsel for Aetna Inc.