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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), Aetna Inc., and Mary Melette Thomas (“Relator”) (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. On January 24, 2024, Relator filed a qui tam action in the United States District Court for the Eastern District of Pennsylvania captioned *United States ex rel. Mary Melette Thomas v. Aetna Inc., et. al.*, No. 24-cv-339 (E.D. Pa.), pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action).

C. 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.

D. 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.

E. 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 years 2018 to 2023, Aetna knowingly submitted and/or failed to delete inaccurate and untruthful diagnosis codes for morbid obesity (ICD-10 E66.01 & E66.2, ICD-9 278.01 & 278.03) to increase the payments it received from CMS for numerous beneficiaries enrolled in its MA plans. The medical records for individuals diagnosed as morbidly obese may include one or more Body Mass Index (“BMI”) recordings. The United States contends that Aetna submitted and/or failed to delete inaccurate, false, or otherwise invalid diagnosis codes for morbid obesity for individuals with BMIs below 30; and it contends that Aetna did so with actual knowledge of the falsity of the diagnosis code or reckless disregard for or deliberate ignorance of the truth or falsity of the diagnosis code; and these codes increased the payments made by CMS for these beneficiaries. For example, some of these inaccurate and untruthful morbid obesity diagnosis codes were added during retrospective “chart reviews” (*i.e.*, medical record reviews) conducted by Aetna or its agents. In some other instances, medical record reviews showed that the morbid obesity diagnosis codes were inaccurately reported by doctors and were unsubstantiated by their medical records. In other instances, Aetna did not investigate the accuracy of some of the morbid obesity diagnosis code reported by the doctor notwithstanding

that the highest reported BMI was less than 30 for the beneficiary during the same service year.

F. 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 E.

G. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement Agreement and to Relator's reasonable expenses, attorneys' fees and costs.

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 Inc. shall pay to the United States \$11,500,000 (Settlement Amount), of which \$5,750,000 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. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$2,012,500 to Relator by electronic funds transfer (Relator's Share).

3. Subject to the exceptions in Paragraph 5 (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 (collectively, the "Aetna Released Entities"), 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.

4. Except for Relator's claim under 31 U.S.C. § 3730(d) for attorneys' fees, costs and expenses, which will be addressed in a separate settlement agreement between Relator and Aetna, and conditioned upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, Relator, for herself and for her heirs, successors, attorneys, agents, and assigns, releases the Aetna Released Entities from any civil monetary claim the Relator has on behalf of the United States under the False Claims Act, 31 U.S.C. §§ 3729-3733 and from any and all claims, claims for relief, actions, rights, causes of action, suited debts, obligations, liabilities, demands, losses, damages (including treble damages and civil penalties), punitive damages, costs and expenses of any kind, character or nature whatsoever, known or unknown, fixed or contingent, in law or in equity, in contract or tort, or under any state or federal statute or regulation arising in any way out of or connected in any way with the facts, claims, and circumstances alleged in the Civil Action.

5. Notwithstanding the releases given in Paragraph 3 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; and
- f. Any liability of individuals.

6. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the Relator's Share, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. Relator, for herself, and for her heirs, successors, attorneys, agents, and assigns, releases the Aetna Released Entities, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, except as to Relator's claim under 31 U.S.C. § 3730(d) for expenses, attorneys' fees, and costs which is specifically reserved.

8. 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.

9. Aetna fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' 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, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

10. Aetna fully and finally releases the Relator, her heirs, successors, attorneys, agents and/or assigns from any claims (including attorneys' 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 Relator, her heirs, successors, attorneys, agents and/or assigns, related to the Covered Conduct, the Civil Action, and the Relator's investigation and prosecution thereof.

11. 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.

12. 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 and any payments that Aetna may make to Relator, 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.

13. 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 14 (waiver for beneficiaries paragraph), below.

14. 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.

15. Upon receipt of the payment described in Paragraph 1, above, the United States and Relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). Such dismissal shall be (a) with prejudice to the Relator

as to all claims in the Civil Action, (b) with prejudice to the United States only as to the Covered Conduct, and (c) without prejudice to the United States as to any other claims.

16. Except for Relator's entitlement to attorneys' fees, costs, and expenses under 31 U.S.C. § 3730(d), each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

18. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and 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.

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

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

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

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

23. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

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

25. 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

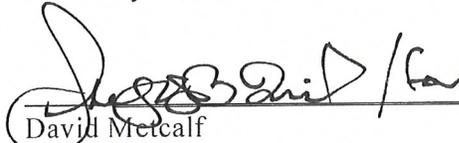
DATED: 3/9/20

BY: Nelson Wagner

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DATED: _____

BY: _____

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

THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

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Peter Carr
Gregory in den Berken
Assistant United States Attorneys
United States Attorney's Office for the Eastern District
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DATED: 3/9/26

BY: _____

**SUSAN
GILLIN**

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SUSAN GILLIN
Date: 2026.03.09
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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: _____

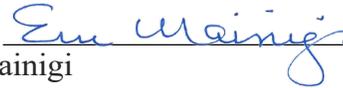
BY:



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

DATED: March 9, 2026

BY:



Enu Mainigi
Williams & Connolly LLP

Counsel for Aetna Inc.

RELATOR

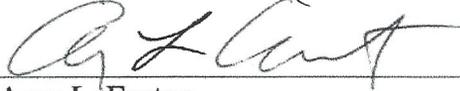
DATED: 3/8/26

BY:


Mary Melette Thomas

DATED: 3/8/26

BY:


Amy L. Easton
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Counsel for Relator