SETTLEMENT AGREEMENT

Concerning CMS Recoupment of Certain Medicare Advantage Overpayments Related to The Villages Health System, LLC and Common Law Claims of Payment by Mistake and Breach of Contract

This settlement agreement ("Agreement") is entered into among the United States of America, acting through the United States Department of Justice ("DOJ") and on behalf of the Centers for Medicare & Medicaid Services ("CMS") of the Department of Health and Human Services ("HHS") (collectively, the "United States"), and GuideWell Mutual Holding Corporation and all of its affiliates including but not limited to Blue Cross and Blue Shield of Florida, Inc. and Florida Blue Medicare, Inc. (collectively, "Florida Blue") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Florida Blue is a healthcare company based in Jacksonville, Florida. Florida Blue's subsidiaries offer and administer Medicare Advantage Plans ("MA Plans") to Medicare beneficiaries under CMS's Medicare Advantage Program (also known as Medicare Part C).

B. Under the Medicare Advantage Program, Medicare beneficiaries may elect to receive Medicare benefits through private health plans, known as MA Plans, offered by MAOs. CMS pays MAOs a capitated amount for each enrolled beneficiary to furnish, arrange for, or pay for Medicare-covered Part A and Part B benefits, subject to limited payment exceptions. CMS adjusts these capitated payments to MAOs based on demographic factors and the health status of each plan beneficiary. To calculate the payment amounts, CMS uses a health-based risk adjustment model—the Hierarchical Conditions Category ("HCC") model—that takes into account, among other things, diagnoses submitted to MAOs by providers in connection with risk-adjustment eligible encounters. CMS assigns a relative numerical coefficient to each HCC

that correlates with predicted costs associated with treating the conditions in the category. In general, CMS makes higher risk-adjusted payments for beneficiaries with higher risk scores than for beneficiaries with lower risk scores.

C. The Villages Health System, LLC ("TVH") provided healthcare services to Medicare beneficiaries enrolled in MA Plans pursuant to contracts with certain MAOs, including Florida Blue, and submitted diagnosis codes to those MAOs under those contracts.

D. From at least January 1, 2020, Florida Blue contracted with TVH, as well as other healthcare providers, to furnish services to Medicare beneficiaries enrolled in MA Plans offered in the State of Florida under CMS contracts numbered H1035-019, H1035-043, H1035-029, H1035-031, H5435-002, H5434-036, H5434-038, R3332-001, S5904-001, and S5904-002.

E. On December 27, 2024, TVH made a submission pursuant to the Health Care Fraud Self-Disclosure Protocol of the Office of Inspector General, Department of Health and Human Services ("HHS-OIG"). In that submission, TVH informed HHS-OIG that it had submitted invalid diagnosis codes to MAOs, including Florida Blue, that TVH believed likely were not supported and may have affected the amount of payments CMS made to the MAOs.

F. On July 3, 2025, before refunding to Florida Blue any payments it received on the basis of the codes TVH believed to be invalid, TVH filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Middle District of Florida, Orlando Division (the "Bankruptcy Court"), Case Number 25-04156 (LVV) (the "Chapter 11 Case"), due in part to TVH's inability to meet its anticipated repayment obligations to Florida Blue and the other MAOs.

G. On or about March 20, 2026, TVH entered into a settlement with PMA Lender, LLC, The Villages Health Holding Company, LLC, and certain other affiliated entities

(collectively, "the Developer") (Dkt. 448, Ex. A[1]) (the "TVH-Developer Settlement"), which will become effective upon Bankruptcy Court approval of TVH's Motion for Entry of an Order in the Chapter 11 Case to approve the TVH-Developer Settlement. Pursuant to the TVH-Developer Settlement, the Developer agreed to pay an aggregate of $80,000,000 to TVH to resolve claims between TVH and the Developer as further described in the TVH-Developer Settlement (Dkt. 448, Ex. A).

H. On March 20, 2026, the United States, acting through the United States Department of Justice and on behalf of the HHS-OIG, entered into a settlement with TVH to resolve the United States' claims against TVH under the False Claims Act, 31 U.S.C. §§ 3729–3733 (the "TVH FCA Settlement"). Specifically, the TVH FCA Settlement resolved allegations that from January 2020 through December 2024, TVH violated the False Claims Act, 31 U.S.C. §§ 3729-3733, by knowingly submitting improper diagnoses to MAOs, including Florida Blue, for inflated payments of federal funds from the MAOs or knowingly causing the MAOs to submit false claims to Medicare Part C. (Dkt. 447, Ex. A.) The TVH FCA Settlement will become effective upon Bankruptcy Court approval of TVH's Motion for Entry of an Order in the Chapter 11 Case to approve the TVH FCA Settlement (Dkt. 447).

I. On or about March 20, 2026, TVH filed its First Amended Chapter 11 Plan of Liquidation (Dkt. 449) (the "TVH Plan").

J. On or about July 24,, 2026, TVH entered into a settlement with Florida Blue resolving claims between TVH and Florida Blue (the "TVH-Florida Blue Settlement") (Dkt. 519, Ex. A), which will become effective upon Bankruptcy Court approval of TVH's Motion for Entry of an Order to approve the TVH-Florida Blue Settlement (Dkt. 519).

[1] Docket entries cited herein refer to filings in the Chapter 11 Case.

K. The United States contends that the contracts between Florida Blue and CMS referenced above require Florida Blue to repay certain amounts purportedly resulting from allegedly invalid diagnosis codes submitted by TVH for Florida Blue MA Plan members, including amounts that CMS may be unable to recover from TVH because of TVH's Chapter 11 bankruptcy. This requirement is referred to below as the "Overpayment Obligation."

L. In consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. CMS shall recoup overpayments made to Florida Blue on the basis of allegedly invalid codes submitted by TVH. The settlement shall be collected as follows:

a. Florida Blue will receive credit for $9,195,172.28 toward the Settlement Amount to account for the value of improper codes that Florida Blue already deleted from CMS systems or included in auditable estimates submitted to CMS.

b. No later than 30 days after the Effective Date of this Agreement, Florida Blue shall pay an additional $11,953,203.14 to the Department of Justice by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

c. Florida Blue will withdraw its Proof of Claim filed in the Chapter 11 Case and will file in the Chapter 11 Case a statement in support of, and refrain from asserting any objection to, the TVH-Developer Settlement, the TVH-United States Settlement, and the TVH Plan and, provided that these documents conform in form and substance with the currently filed versions of such documents in the Chapter 11 Case and discussions among the Parties and are otherwise in form and substance reasonably acceptable to Florida Blue.

c. If the Bankruptcy Court does not approve the TVH-Developer Settlement, the TVH-United States Settlement, and/or the TVH Plan in the same form and substance as the currently filed versions of such documents in the Chapter 11 Case, or the Developer fails to pay the amount due and owing under the TVH-Developer Settlement, this Agreement will not be effective.

2. The United States will file in the Chapter 11 Case a statement of support of, and refrain from asserting any objection to, the TVH-Florida Blue Settlement, assuming that the TVH-Florida Blue Settlement conforms in form and substance with the currently filed version of such document in the Chapter 11 Case and discussions among the Parties and is otherwise in form and substance reasonably acceptable to the United States.

3. Subject to Paragraph 4 (concerning reserved claims) below, and upon the United States' receipt of $11,953,203.14 from Florida Blue, and subject to Florida Blue's compliance with its obligations in Paragraph 1 and Bankruptcy Court approval of the TVH-Developer Settlement, the TVH-United States Settlement, and the TVH Plan, CMS releases and discharges Florida Blue from any overpayment obligations or data correction obligations arising from diagnosis codes submitted by TVH to Florida Blue concerning members covered under the contracts identified in Recital D for dates of service in the period from January 1, 2020 through December 31, 2024. This Agreement constitutes CMS's final administrative resolution of those obligations. Except as expressly provided in this Agreement, CMS shall not reopen, recalculate, re-audit, re-examine, offset, recoup, adjust, reconcile, or otherwise seek any additional payment from Florida Blue with respect to those obligations, including through any audit, adjustment, review, payment process, administrative proceeding, or court action. CMS can, however, take such actions for deletions submitted by authorized submitters to the Risk Adjustment Processing System or the Encounter Data Processing System and for overpayments submitted through the

Risk Adjustment Overpayment Reporting module. CMS further releases Florida Blue from any civil or administrative monetary claim CMS has against Florida Blue arising from diagnosis codes submitted by TVH to Florida Blue concerning members covered under the contracts identified in Recital D for dates of service in the period from January 1, 2020 through December 31, 2024 under common law theories of payment by mistake or breach of contract.

4. 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, or any administrative remedy, including mandatory and permissive exclusion from Federal health care programs as well as the suspension and debarment rights of any federal agency;

d. Any liability to the United States (or its agencies) for any conduct other than the Overpayment Obligation;

e. Any liability based upon obligations created by this Agreement;

f. Any liability of individuals;

g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

h. Any liability for failure to deliver goods or services due;

i. Any liability for personal injury or property damage or for other consequential damages arising from the Overpayment Obligation

5. Florida Blue 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 Florida Blue 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 Overpayment Obligation or the United States' investigation or 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 Overpayment Obligation; and Florida Blue agrees not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Overpayment Obligation, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

7. Florida Blue 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 Florida Blue, and 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) Florida Blue'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) and the TVH Chapter 11 bankruptcy;

(4) the negotiation and performance of this Agreement;

(5) the payment Florida Blue 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 will be separately determined and accounted for by Florida Blue, and Florida Blue shall not charge such Unallowable Costs directly or indirectly to any contract 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 Florida Blue 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 Agreement, Florida Blue shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/repay by adjustment to future claims for payment or contractors, and Medicaid and FEHBP fiscal agents, any Unallowable Costs (as defined in this Paragraph) included in payments previously sought by Florida Blue or any of its subsidiaries or affiliates 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 Florida Blue 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. Florida Blue agrees that the United States, at a minimum, shall be entitled to recoup from Florida Blue any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted 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 Florida Blue or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Florida Blue 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 Florida Blue's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph and to disagree with any calculations submitted by Florida Blue or any of its subsidiaries or affiliates regarding any Unallowable Costs included in payments previously sought by Florida Blue, or the effect of any such Unallowable Costs on the amount of such payments.

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.

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

10. This Agreement is neither an admission of liability by Florida Blue nor a concession by the United States that its claims are not well founded.

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 entered into contemporaneously with the CMS Risk Adjustment Data Validation Audit Exclusion Letter concerning exclusion of certain Florida Blue members from, as applicable, the sample and sample frame used by CMS in Risk Adjustment Data Validation Audits ("RADV") relating to dates of service in the period from January 1, 2020 through December 31, 2024, and from any resulting repayment obligation. Nothing herein affects the obligations and rights of Florida Blue, CMS, or the United States pursuant to the CMS Risk Adjustment Data Validation Audit Exclusion Letter.

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 Middle District of Florida. 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 and the CMS Risk Adjustment Data Validation Audit Exclusion Letter constitute the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties. Forbearance by the United States from pursuing any remedy or relief available to it under this Agreement shall not constitute a waiver of rights under this Agreement.

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 Florida Blue's 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 later of (i) the date of signature of the last signatory to the Agreement, (ii) the date on which the Bankruptcy Court enters one or more orders approving the TVH-Developer Settlement, the TVH FCA Settlement, and the TVH-Florida Blue Settlement, (iii) the date on which the Bankruptcy Court enters a confirmation order confirming the TVH Plan and such order has become a Final Order (as defined in the TVH Plan), and (iv) the Developer pays the amount due and owing under the TVH-Developer Settlement (Effective Date). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 7/28/26 BY: Martha Glover

Martha Glover
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 7/27/26 BY: _____

Christopher Emden
Assistant United States Attorney
Middle District of Florida

DATED: _____ BY: CHRISTINA S. RITTER -S Digitally signed by CHRISTINA S. RITTER -S Date: 2026.07.27 11:15:33 -04'00'

Chris Ritter

Deputy Director, Parts C and D,
of the Center for Medicare
Centers for Medicare and Medicaid Services

Blue Cross and Blue Shield of Florida, Inc.

DATED: 27 July 2026 BY: Signed by: Allen Hall 5D0852C63C1249D...

Allen Hall
Interim Deputy General Counsel

DATED: 27 July 2026 BY: DocuSigned by: Michael Shaheen D2D7BBDB5553476...

Michael Edmund Shaheen
Counsel for Florida Blue