

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”), Independence Blue Cross, and Suzanne Crawford (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

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

B. On November 18, 2020, Relator filed a qui tam action in the United States District Court for the Eastern District of Pennsylvania captioned *United States ex rel. Crawford v. Independence Blue Cross*, No. 20-cv-5818 (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 IBX 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 IBX knowingly and improperly avoided or decreased an obligation to repay Medicare.

E. The United States contends that it has certain civil claims against IBX arising from the conduct described below. That conduct is referred to below as the “Covered Conduct.”

At all relevant times, IBX 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(1)(2). This requirement was also set forth in the contracts between IBX and CMS. IBX submitted such a signed certification to CMS every year.

For date of service years 2016-2020 (payment years 2017-2021), IBX operated a “chart review” program known as “IBX Review,” 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 IBX’s plans. IBX then retained nurse reviewers to conduct retrospective reviews of some of those charts to identify all risk-adjusting medical conditions that the charts supported. IBX relied on the results of its chart reviews to submit additional diagnosis codes to CMS that the healthcare providers had not reported, and, in some instances, these codes increased the payments made by CMS for these beneficiaries. However, the United States contends that IBX’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 IBX’s MA plans that IBX’s nurse reviewers did not find when reviewing those beneficiaries’ charts for all supported diagnosis codes. But IBX did not investigate or withdraw all of these unsubstantiated, invalid diagnoses codes that it had previously submitted to CMS for payments. IBX then submitted false certifications to CMS that its data was “accurate, complete, and truthful.”

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

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. IBX shall pay to the United States \$22.5 million ("Settlement Amount"), of which \$11.25 million is restitution, and interest on the Settlement Amount at a rate of 4.25% per annum from September 6, 2026 until paid, no later than 7 days after the Effective Date (defined below in Paragraph 25) of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Eastern District of Pennsylvania.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay \$3,825,000 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 IBX, 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 "IBX 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. Subject to the exceptions in Paragraph 5 below, and 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 IBX and all of their past, present, and future parent entities, subsidiaries, affiliates, divisions, joint ventures, subcontractors, agents, attorneys, subrogees, co-insurers and reinsurers, all of their respective, past, present and future officers, directors, employees, members, partners, principals, shareholders and owners, and all of their respective heirs, executors, administrators, personal representatives, predecessors, successors, transferees, and assigns ("IBX Releasees") from any and all claims, actions, causes of action, rights, damages, costs, or other expenses and compensation of any nature whatsoever under any theory of recovery, that she has the authority to release, including but not limited to from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct or any additional allegations set forth in the Complaint under the False Claims Act, 31 U.S.C. §§ 3729-3733. Relator further represents and warrants that neither Relator, nor anyone acting on her behalf, at her direction, or represented by her attorneys has filed any claims, complaints, or charges other than the Civil Action against the IBX Releasees concerning the Covered Conduct or the allegations in the Civil Action with any local, state, or federal court or agency. Relator additionally represents and warrants that neither Relator, nor anyone acting on Relator's behalf, at her direction, or represented by her attorneys has assigned or transferred to any person or entity any claims, or any part or portion thereof, against the IBX Releasees. Relator agrees that neither Relator, nor anyone acting on her behalf, at her direction or represented by her attorneys will hereafter pursue any released claim against

the IBX Releasees by filing a lawsuit in any local, state, or federal court arising in whole or in part from the Covered Conduct or any other matter 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;
- 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 Covered Conduct;

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 IBX Released Entities, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, or under 31 U.S.C. § 3730(d) for expenses or attorneys' fees and costs.

8. IBX waives and shall not assert any defenses IBX 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. IBX 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 IBX 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. IBX 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 IBX has asserted, could have asserted, or may assert in the future against the Relator, 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 IBX agrees not to resubmit to CMS, any Medicare contractor, or any state payer any previously denied claims or diagnoses related to the Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

12. IBX 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 IBX, 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) IBX'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;
- (5) the payment IBX makes to the United States pursuant to this Agreement and any payments that IBX 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 IBX, and IBX 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 IBX or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: IBX 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 IBX 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. IBX agrees that the United States, at a minimum, shall be entitled to recoup from IBX 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 IBX or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on IBX 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 IBX'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. IBX 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. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement, with the exception that the Relator and IBX have agreed to resolve the Relator's claim to entitlement under 31 U.S.C. § 3730(d) to Relator's reasonable expenses, attorneys' fees and costs, in a separate 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 IBX'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: 9-14-2026

BY:



WENDY ZUPAC
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY:

DAVID METCALF
United States Attorney for the Eastern District of
Pennsylvania

DATED: _____

BY:

GREGORY B. DAVID
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Eastern District
of Pennsylvania

DATED: _____

BY:

CHARLENE KELLER FULLMER
Assistant United States Attorney
Deputy Chief, Civil Division
United States Attorney's Office for the Eastern District
of Pennsylvania

DATED: _____

BY:

PETER CARR
Assistant United States Attorney
United States Attorney's Office for the Eastern District
of Pennsylvania

DATED: 9/11/2026

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: _____

WENDY ZUPAC
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 9/14/26

BY:  _____

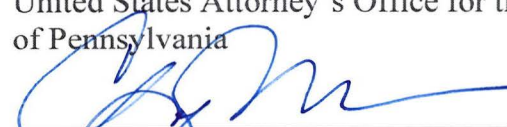
DAVID METCALF
United States Attorney for the Eastern District of
Pennsylvania

DATED: _____

BY:  _____

GREGORY B. DAVID
Assistant United States Attorney
Chief, Civil Division
United States Attorney's Office for the Eastern District
of Pennsylvania

DATED: _____

BY:  _____

CHARLENE KELLER FULLMER
Assistant United States Attorney
Deputy Chief, Civil Division
United States Attorney's Office for the Eastern District
of Pennsylvania

DATED: 9/11/26

BY:  _____

PETER CARR
Assistant United States Attorney
United States Attorney's Office for the Eastern District
of Pennsylvania

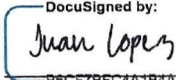
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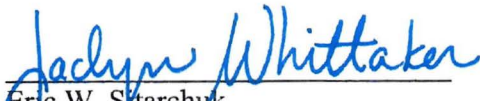
SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

INDEPENDENCE BLUE CROSS

DATED: 9/11/2026

BY: 
B6CF7BFC4A1B4AA...
Juan Lopez
Executive Vice President, Chief Financial Officer,
Treasurer, Independence Blue Cross

DATED: 9/11/26

BY: 
Eric W. Starchuk
Jaclyn Unis Whittaker
Counsel for Independence Blue Cross

RELATOR

DATED: 9/11/2026

BY: Suzanne Crawford
Suzanne Crawford

DATED: 9-11-2026

BY: Joseph M. Callow, Jr.
Joseph M. Callow, Jr.
Counsel for Relator