

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”), AIDS Healthcare Foundation d/b/a Positive Healthcare Partners, and Donna Irons (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. AIDS Healthcare Foundation (“AHF”) is a global non-profit organization based in Los Angeles, California, that provides care and services to HIV patients in the United States and other countries. Positive Healthcare Partners (“PHP”) is AHF’s Managed Care Division, which operated Medicare Advantage (“MA”) health plans under Part C of the Medicare Program. Specifically, PHP operated special needs MA plans for Medicare beneficiaries who have HIV and lived in certain counties in Florida, Georgia, or California. AHF and PHP are collectively referred to as “AHF” below.

B. On March 23, 2023, Donna Irons (“Relator”) filed a qui tam action in the United States District Court for the Central District of California captioned *United States ex rel. Irons v. AIDS Healthcare Foundation d/b/a Positive Healthcare Partners*, Civil Action No. 23-cv-2160, 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,” or MAOs, 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 part of obtaining these adjustments, MA organizations submit “risk adjustment” data, including medical diagnosis codes, to CMS.

D. The United States contends that AHF 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”). The United States also contends that AHF knowingly and improperly avoided or decreased an obligation to repay Medicare.

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

i. To ensure that the government calculates risk adjusted payments using accurate and truthful diagnosis codes, federal regulations require that MAOs submit data that conform to all relevant national standards, including the requirement in the International Classification of Diseases-Clinical Modification (ICD-CM) Guidelines for Coding and Reporting that diagnoses be properly documented in patients’ medical records. The diagnosis codes and other risk adjustment information that MAOs submit directly affect the calculation of CMS payments to MAOs. A diagnosis code that is not properly documented in a patient’s medical record is not a valid basis for CMS risk adjustment payments to an MA organization. These obligations for data accuracy flow down from the MAOs to risk-sharing providers.

ii. The United States contends that despite these data accuracy obligations, for payment years 2017 to 2023, AHF failed to timely investigate and delete diagnosis codes that were either inaccurate or not documented in medical records. Beginning in around 2017, AHF’s risk adjustment coders conducted chart reviews to identify inaccurate or unsupported diagnosis codes

for deletion. As part of this process, AHF’s risk adjustment coders maintained “Delete Research” spreadsheets, which listed diagnosis codes they identified as potentially lacking support in the medical record but needing further research. Although AHF knew that it was required to investigate and delete inaccurate and unsupported diagnosis codes within 60 days, AHF failed to timely investigate and delete the codes. AHF did not delete most of the inaccurate or unsupported diagnosis codes in the “Delete Research” spreadsheets until 2024 or 2025—well after AHF was on notice that the codes potentially lacked support and only after being notified of the United States’ investigation.

iii. The United States also contends that, for payment year 2017, AHF knowingly submitted diagnosis codes for HIV (ICD-10 B20) where the diagnosis was not documented in any medical record for a face-to-face visit, in violation of CMS requirements that all diagnosis code submissions must be documented as a result of a face-to-face visit.

F. AHF 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. AHF cooperated with the investigation by proffering a presentation summarizing its own conduct and spreadsheets compiling and analyzing data from its own information systems in a manner that was helpful to the Department in expediting the investigation. AHF proactively remediated its conduct during the course of Department’s investigation by submitting deletes for diagnosis codes that, based on review of medical records, were not supported. AHF represented that it enhanced compliance policies and processes, including by instituting a policy of timely investigating diagnosis codes that are identified as potentially lacking support and deleting codes determined to lack support.

G. Relator claims entitlement under 31 U.S.C. § 3730(d)(1) to a share of the proceeds of this Settlement Agreement and under 31 U.S.C. § 3730(d) to Relator’s reasonable expenses,

attorneys' fees and costs. AHF reserves all rights to dispute Relator's claims for such reasonable attorney fees and costs.

H. This agreement is neither an admission of liability of the allegations in Covered Conduct nor a concession by the United States and Relator that the 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. AHF shall pay to the United States \$1,440,000 ("Settlement Amount"), of which \$800,000 is restitution. The Settlement Amount shall be paid as follows:

a. AHF shall receive credit for \$800,000 that CMS will recoup through the Medicare Risk Adjustment reconciliation process based on diagnoses codes identified in the Covered Conduct that AHF deleted after learning of the government's investigation; and

b. No later than 14 days after the Effective Date of this Agreement, AHF shall pay the United States \$640,000, plus interest at a rate of 4.5% per annum from August 5, 2026, by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States 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 \$259,200 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 AHF, 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.

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 AHF together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners from any civil monetary claim the Relator has on behalf of the United States for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733.

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.

7. 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.

8. Relator, for herself, and for her heirs, successors, attorneys, agents, and assigns, releases AHF, and its officers, agents, and employees, from any liability to Relator arising from the filing of the Civil Action, except for a claim for expenses or attorneys' fees and costs under 31 U.S.C. § 3730(d). The claim for expenses, attorneys' fees and costs is not covered by this settlement agreement, and will be the subject of a motion under Federal Rule 54(d) after a judgment or final order is entered.

9. AHF waives and shall not assert any defenses AHF 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.

10. AHF 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 AHF 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.

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 AHF 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. AHF 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 AHF, 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) AHF'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 AHF makes to the United States pursuant to this Agreement and any payments that AHF 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 AHF, and AHF 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 AHF or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: AHF 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 AHF 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. AHF agrees that the United States, at a minimum, shall be entitled to recoup from AHF 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 AHF or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on AHF 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 AHF'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. AHF 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 Relator and United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1). The dismissal(s) shall be (a) with prejudice to the

United States as to the Covered Conduct; (b) without prejudice to the United States as to all other claims; (c) with prejudice as to Relator except as to a claim for expenses or attorneys' fees and costs under 31 U.S.C. 3730(d); and (d) preserves the Court's jurisdiction to determine Relator's entitlement to, and the amount of, any expenses, attorneys' fees, and costs under 31 U.S.C. § 3730(d) pursuant to a Rule 54(d) motion, with Relator and AHF reserving their respective rights and positions on entitlement and amount.

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, except as provided in Paragraph 8.

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 Central District of California. 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 AHF'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: 9/4/2026

BY: 

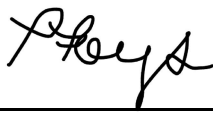
Tiffany L. Ho
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 09/04/2026

BY: 

S. Desmond Jui
Assistant United States Attorney
Central District of California

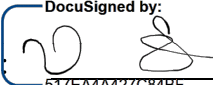
DATED: 9/4/26

BY: 

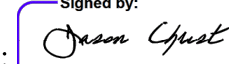
Susan E. Gillin
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

DEFENDANT AIDS HEALTHCARE FOUNDATION

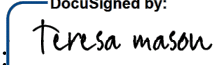
DATED: 9/3/2026

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BY: 
517EA4A427C84BE
Michael Weinstein
President and Chief Executive Officer
AIDS Healthcare Foundation

DATED: 9/3/2026

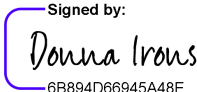
Signed by:
BY: 
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Jason Christ
Counsel for AIDS Healthcare Foundation

DATED: 9/3/2026

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BY: 
23A7CD9A206F483
Teresa Mason
Counsel for AIDS Healthcare Foundation

RELATOR DONNA IRONS

DATED: 9/8/2026

BY:  Signed by:
Donna Irons
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Donna Irons

DATED: 9/8/26

BY: /s Nicholas W. Armstrong

Nicholas W. Armstrong
Counsel for Donna Irons