

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”), Fresno Community Hospital and Medical Center d/b/a Community Health System (“CHS”), Physician Network Advantage, Inc. (“PNA”), and Michael Terpening (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. CHS is a health system with its primary places of business in Fresno County, California. CHS’s hospitals are each enrolled as providers in the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll (“Medicare”), the TRICARE Program, 10 U.S.C. §§ 1071-1110b (“TRICARE”), the California Medi-Cal Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 (“Medi-Cal”), and other Federal health care programs, as defined in 42 U.S.C. §§ 1320a-7b(f) (collectively, “Federal health care programs”).

B. PNA is a health care technology business founded in April 2010 principally to support CHS’s expansion of electronic health records technology into physician offices. CHS assisted in the formation of PNA and funded most of PNA’s operations. Relator was employed by PNA from 2011 to 2017. PNA intends to cease its active business operations on or about August 31, 2025, with a wind-down period thereafter.

C. On December 4, 2019, Relator filed a qui tam action in the United States District Court for the Eastern District of California, captioned United States ex rel. Terpening v. Fresno Community Hospital and Medical Center, et al., 1:19-CV-01699, pursuant to the qui tam

provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the “Civil Action”). The United States intervened in the Civil Action for purposes of settlement with CHS and PNA on May 8, 2025.

D. The United States contends that CHS submitted or caused to be submitted claims for payment to Medicare, TRICARE, Medi-Cal, and other Federal health care programs.

E. The United States contends that it has certain civil claims against CHS and PNA arising from the provision of (1) remuneration to health care providers including during meetings and social events taking place at a venue known as “HQ2”; and (2) subsidies, cost reductions, and payments to the Santé Health Foundation (“SHF”), the Central California Faculty Medical Group d/b/a Inspire Health Medical Group (“CCFMG”), and affiliated physicians, related to electronic health records (“EHR”) items and services. Specifically, the United States contends that:

- a. PNA operated HQ2 at 7215 North First Street, Suite 105, Fresno, CA, with the assistance, funding, and knowledge of CHS between July 2014 and March 2022. During this period of time, certain individuals visiting HQ2, which included health care providers, were provided expensive wine, liquor, cigars, and/or food that was kept on the premises, in return for the referral of Federal health care program patients to CHS for medical services, for which CHS submitted claims to Federal health care programs between July 2014 and March 2022.
- b. CHS and PNA provided EHR subsidies and/or cost reductions to CCFMG, including by agreeing to the delayed collection of upfront cost-sharing amounts under CCFMG’s contract with CHS and PNA related to EHR items and services between April 2013 and August 2024, in return for the referral of Federal health care program patients to CHS for medical services, for which CHS submitted claims to Federal health care programs between April 2013 and August 2024.

- c. CHS and PNA paid for hardware and/or provided subsidies to SHF between February 2013 and May 31, 2021, including through grants to SHF to pay for EHR-related hardware and to subsidize upfront cost-sharing amounts related to EHR items and services, in return for the referral of Federal health care program patients to CHS for medical services, for which CHS submitted claims to Federal health care programs between February 2013 and May 31, 2021.
- d. CHS paid remuneration through grants under the Community-Santé Clinically Integrated Delivery System initiative to SHF that were distributed to 35 specific health care providers listed on Exhibit A affiliated with Community Medical Providers (“CMP”) and certain other medical practices (“the CS-CIDS Providers”), during the years listed on Exhibit A, when those payments were actually designed to reward the referral of Federal health care program patients by the CS-CIDS Providers to CHS for medical services, for which CHS submitted claims to Federal health care programs during the periods of time identified on Exhibit A. The CS-CIDS Providers identified in this Recital Subparagraph E.d and Exhibit A are those CMP providers who, at the time of first receiving a CS-CIDS grant payment, had not yet contracted with CHS and PNA to receive EHR items and services.

The United States contends that the above conduct violated the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b) and caused false claims to be submitted to Federal health care programs in violation of the False Claims Act. The United States further contends that the conduct described above created financial relationships between CHS and the physician members of SHF and CCFMG. The United States further contends that those physicians referred Medicare beneficiaries to CHS for designated health services, and CHS furnished designated health services ordered by those physicians and submitted the respective claims to Medicare for those

services. The United States further contends that the financial relationships between CHS hospitals and the physicians did not satisfy the requirements of any exception to the Physician Self-Referral Law, 42 U.S.C. § 1395nn (commonly referred to as the “Stark Law”). The United States further contends that the referrals of the physician members of SHF and CCFMG to CHS hospitals for designated health services were, therefore, prohibited, and the submission of claims to the Medicare program for the improperly referred services violated the Stark Law and the False Claims Act.

The conduct described in this Recital Paragraph E is referred to in this Agreement as the “Covered Conduct.”

F. This Settlement Agreement is neither an admission of liability by CHS or PNA, nor a concession by the United States that its claims are not well founded.

G. CHS and PNA deny the allegations in Paragraph E.

H. 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. CHS and PNA shall pay to the United States the combined sum of \$31,200,000.00 (“Settlement Amount”), of which \$15,000,623.50 is restitution, and interest on the Settlement Amount at a rate of 4.25% per annum from February 13, 2025 through the Effective Date of this Agreement (“Post-Handshake Interest”), 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 Office of the United States Attorney for the Eastern District of California. The obligation to pay

the Settlement Amount and Post-Handshake Interest as specified in this Paragraph shall be joint and several as to CHS and PNA.

2. Conditioned upon the United States receiving the Settlement Amount and Post-Handshake Interest and as soon as feasible after receipt, the United States shall pay \$4,992,000.00 to Relator by electronic funds transfer (“Relator’s Share”). Relator agrees that the United States is not responsible for any further payments or distributions.

3. CHS and PNA shall make payments to Relator for reasonable expenses, attorneys’ fees, and costs in accordance with 31 U.S.C. § 3730(d)(1) and (2), in the combined amount of Two Hundred Seventy-Five Thousand Dollars (\$275,000.00) (“Attorneys’ Fees”) by wire transfer to Terpening Law’s IOLTA account, no later than 30 days after the Effective Date of this Agreement, as directed by Relator’s Counsel to Community and PNA. The obligation to pay the expenses, attorneys’ fees, and costs as specified in this Paragraph shall be joint and several to Community and PNA.

4. Subject to the exceptions in Paragraph 7 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount and Post-Handshake Interest, the United States releases CHS and PNA 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; the civil monetary provisions of the Stark Law at 42 U.S.C. §§ 1395nn(g)(3) and (g)(4); or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. Subject to the exceptions in Paragraph 7 below, and upon the United States’ receipt of the Settlement Amount and Post-Handshake Interest, and Relator’s receipt of the Attorneys’ Fees, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns,

releases CHS and PNA, their current and former parent corporations; current and former direct and indirect subsidiaries; and their current and former owners, officers, directors, employees, and affiliates (the “CHS/PNA Released Parties”), from any and all claims and potential claims for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733, all claims included in Relator’s qui tam complaint in the Civil Action, and for any and all claims for relief, actions, rights, causes of action, suits, debts, obligations, liabilities, demands, losses, damages (including treble damages and any civil penalties), punitive damages, costs, attorney’s fees, and expenses of any kind, character, or nature whatsoever, known or unknown, fixed or contingent, in law or in equity, in contract or in tort, or under any federal or state statute or regulation, or otherwise that Relator has standing to bring which Relator may now have or claim to have against the CHS/PNA Released Parties, arising in any way out of or connected in any way with the facts, claims, and circumstances alleged in the Civil Action; provided, however, that Relator’s release of the CHS/PNA Released Parties under this paragraph does not extend to any claims against the following entities and individuals named as defendants in the Civil Action: Sante Health System, Inc.; Sante Health Foundation (SHF); the Central California Faculty Medical Group d/b/a Inspire Health Medical Group (CCFMG); Grant Nakamura; and Michael Synn.

6. In consideration of the obligations of CHS in this Agreement and the Corporate Integrity Agreement, entered into between OIG-HHS and CHS (“CIA”), and upon the United States’ receipt of full payment of the Settlement Amount and Post-Handshake Interest, the OIG-HHS shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs against CHS under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law) or 42 U.S.C. § 1320a-7(b)(7) (permissive exclusion for fraud, kickbacks, and other prohibited activities) for the Covered Conduct, except as reserved in this Paragraph and in Paragraph 7 (concerning reserved

claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude CHS from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 7, below.

7. OIG-HHS expressly reserves all rights to institute, direct, or to maintain an administrative action seeking exclusion against PNA from Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) or 42 U.S.C. § 1320a-7a (permissive exclusion). Notwithstanding the releases given in Paragraphs 4, 5 and 6 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 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; and
- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

8. Relator and his 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 his 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.

9. Relator, Relator's counsel, CHS, and PNA expressly waive all rights they may have by virtue of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

10. Relator, for himself, and for his heirs, successors, attorneys, agents, and assigns, releases the CHS/PNA Released Parties, defined in Paragraph 5 of this Agreement, 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; provided, however, that Relator's release of the CHS/PNA Released Parties under this paragraph does not extend to the following entities and individuals named as defendants in the Civil Action: Sante Health System, Inc.; Sante Health Foundation (SHF); the Central California Faculty Medical Group d/b/a Inspire Health Medical Group (CCFMG); Grant Nakamura; and Michael Synn.

11. Relator represents and warrants that, subject to the interests of the United States and Relator's counsel in this matter, Relator fully owns his interest in all claims asserted in the Civil Action, and that, other than the United States, no other person or equity has, or has had, any interest in the claims, demands, obligations or causes of action referred to in the Civil Action; that Relator has not sold, assigned, transferred, hypothecated, conveyed or otherwise disposed of any such claim, demands, obligations or causes of action; and that Relator has the right and authority to execute this Agreement and receive Relator's Share subject to the consent of the United States to dismissal of any claims asserted pursuant to 31 U.S.C. §3729, et seq.

12. CHS and PNA each waive and shall not assert any defenses that CHS and/or PNA 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.

13. CHS and PNA each fully and finally release 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 CHS and/or PNA have asserted, could have asserted, or may assert in the future, separately or jointly, against the United States, its agencies, officers, agents, employees, and servants, related to the Covered Conduct, the Civil Action, or the United States' investigation or prosecution thereof. Each of Community and PNA agrees never to commence, encourage, prosecute, or cause to be prosecuted against the United States or its counsel, or to advise any entity or person in bringing or prosecuting, any complaint, suit, or proceeding against United States or its counsel, any claim, demand, cause of action, damage or liability based on the subject matter of this Agreement.

14. CHS and PNA each fully and finally release the Relator from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that CHS and/or PNA have asserted, could have asserted, or may assert in the future, separately or jointly, against the Relator, related to the Civil Action and the Relator's investigation and prosecution thereof. Other than to enforce the terms of this Agreement, each of CHS and PNA agrees never to commence, encourage, prosecute, or cause to be prosecuted against the Relator or his counsel, or to advise any entity or person in bringing or prosecuting, any complaint, suit, or proceeding against Relator or his counsel, any claim, demand, cause of action, damage or liability based on the subject matter of this Agreement.

15. The Settlement Amount and Post-Handshake Interest 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), any other Federal health care program or payer, or any state payer, related to the Covered Conduct; and each of CHS and PNA agrees not to resubmit to any Medicare contractor, any other Federal health care program or payer, or any state payer any previously denied claims related to the Covered Conduct. Each of CHS and PNA agrees not to appeal any such denials of claims, and each of CHS and PNA agrees to withdraw any such pending appeals.

16. CHS 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 CHS, 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 and investigation of the matters covered by this Agreement;
- (3) CHS's investigation, defense, and corrective actions undertaken in response to the United States' audit and investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement;
- (5) any payment that CHS makes to the United States pursuant to this Agreement and any payment that CHS may make to Relator, including costs and attorneys fees; and
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to: (i) retain an independent review organization to perform annual reviews as described in Section III of the CIA; and (ii) prepare and submit reports to the OIG-HHS

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs), and any other Federal health care program.

However, nothing in Paragraph 16.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to CHS.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by CHS, and CHS 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 CHS or any subsidiary or affiliate to Medicare, Medicaid, TRICARE, FEHBP, or any other Federal health care program.

c. Treatment of Unallowable Costs Previously Submitted for Payment: CHS 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 CHS, or any subsidiary or affiliate, 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. CHS agrees that the United States, at a minimum, shall be entitled to recoup from CHS 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 CHS or any subsidiary or affiliate on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on CHS or any subsidiary or affiliate's 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 CHS's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

17. PNA 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 PNA, 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 and investigation of the matters covered by this Agreement;
- (3) PNA's investigation, defense, and corrective actions undertaken in response to the United States' audit and investigation in connection with the matters covered by this Agreement (including attorneys' fees);
- (4) the negotiation and performance of this Agreement; and
- (5) any payment that PNA makes to the United States pursuant to this Agreement and any payment that PNA 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, Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs), and any other Federal health care program.

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by PNA, and PNA 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 PNA or any subsidiary or affiliate to Medicare, Medicaid, TRICARE, FEHBP, or any other Federal health care program.

c. Treatment of Unallowable Costs Previously Submitted for Payment: PNA 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 PNA, or any subsidiary or affiliate, 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. PNA agrees that the United States, at a minimum, shall be entitled to recoup from PNA 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 PNA or any subsidiary or affiliate on the effect of inclusion of Unallowable Costs (as defined in this Paragraph) on PNA or any subsidiary or affiliate's 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 PNA's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

18. Each of CHS and PNA agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, CHS and PNA shall encourage, and agrees not to impair, the cooperation of directors, officers, and employees, and shall use best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. CHS and PNA further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

19. 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 20 (waiver for beneficiaries paragraph), below.

20. Each of CHS and PNA 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.

21. Upon receipt of the payments described in Paragraph 1 and Paragraph 3, above, Relator and the United States shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action with respect to CHS and PNA, as well as Berj Apkarian, Craig Castro, Timothy Joslin, Michael Maruyama, Patrick Rafferty, and Chris Roggenstein (the "CHS/PNA-Affiliated Individuals") pursuant to Rule 41(a)(1) ("the Stipulation of Dismissal"). As to CHS and PNA, the dismissal by the United States shall be with prejudice only as to the Covered Conduct. As to the CHS/PNA-Affiliated Individuals, the dismissal by the United States

shall be without prejudice. The dismissal by the United States shall not apply to any other entities, individuals, allegations, or claims. As to CHS, PNA, and the CHS/PNA-Affiliated Individuals, the dismissal by the Relator shall be with prejudice as to all allegations and claims in the Civil Action; provided, however, that the Stipulation of Dismissal shall not extend to any claims included in Relator's qui tam complaint in the Civil Action against the following entities and individuals named as defendants in the Civil Action: Sante Health System, Inc.; Sante Health Foundation (SHF); the Central California Faculty Medical Group d/b/a Inspire Health Medical Group (CCFMG); Grant Nakamura; and Michael Synn.

22. Except as provided in Paragraph 3 of this Agreement, CHS, PNA, the CHS/PNA Affiliated Individuals, the CHS/PNA Released Parties, and the Relator shall bear their own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement (subject to and without affecting the terms of payment, advance, or reimbursement of legal and other expenses between or among CHS, PNA, the CHS/PNA Affiliated Individuals, the CHS/PNA Released Parties, and/or any combination thereof). CHS, PNA, the CHS/PNA-Affiliated Individuals, and the CHS/PNA Released Parties shall not seek from the United States (including HHS), the Relator, or the Relator's counsel, any legal or other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

24. 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 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.

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

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

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

28. This Agreement is binding on CHS's successors, transferees, heirs, and assigns.

29. This Agreement is binding on PNA's successors, transferees, heirs, and assigns.

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

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

32. 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: 5/7/2025

BY:



DAVID E. THIESS
Assistant United States Attorney
Eastern District of California

DATED: 5/6/25

BY:

SUSAN GILLIN

Digitally signed by SUSAN GILLIN
Date: 2025.05.06 12:57:10 -04'00'

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

CHS

DATED: 5/5/2025 BY: Cj
CRAIG WAGONER
Chief Executive Officer for CHS

DATED: 5/5/25 BY: Adam R. Tarosky
ADAM R. TAROSKY
HARSH P. PARIKH
JONAH D. RETZINGER
Nixon Peabody LLP
Counsel for CHS

PNA

DATED: _____ BY: _____
CHRIS ROGGENSTEIN
Chief Executive Officer for PNA

DATED: _____ BY: _____
WILLIAM C. HAHESEY
Sagaser, Watkins & Wieland PC
Counsel for PNA

DATED: _____ BY: _____
RAJA SEKARAN
Epstein, Becker Green
Counsel for PNA

RELATOR

DATED: _____ BY: _____
MICHAEL TERPENING
Relator

CHS

DATED: _____

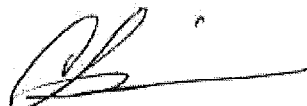
BY: _____
CRAIG WAGONER
Chief Executive Officer for CHS

DATED: _____

BY: _____
ADAM R. TAROSKY
HARSH P. PARIKH
JONAH D. RETZINGER
Nixon Peabody LLP
Counsel for CHS

PNA

DATED: 5/6/2025 BY: _____


CHRIS ROGGENSTEIN
Chief Executive Officer for PNA

DATED: _____

BY: _____
WILLIAM C. HAHESEY
Sagaser, Watkins & Wieland PC
Counsel for PNA

DATED: _____

BY: _____
RAJA SEKARAN
Epstein, Becker Green
Counsel for PNA

RELATOR

DATED: _____

BY: _____
MICHAEL TERPENING
Relator

CHS

DATED: _____

BY: _____

CRAIG WAGONER
Chief Executive Officer for CHS

DATED: _____

BY: _____

ADAM R. TAROSKY
HARSH P. PARIKH
JONAH D. RETZINGER
Nixon Peabody LLP
Counsel for CHS

PNA

DATED: _____

BY: _____

CHRIS ROGGENSTEIN
Chief Executive Officer for PNA

DATED: _____

BY: _____

WILLIAM C. HAHERY
Sagaser, Watkins & Wieland PC
Counsel for PNA

DATED: *6 May 25*

BY: _____

Raja Sekaran
RAJA SEKARAN
Epstein, Becker Green
Counsel for PNA

RELATOR

DATED: _____

BY: _____

MICHAEL TERPENING
Relator

CHS

DATED: _____

BY: _____
CRAIG WAGONER
Chief Executive Officer for CHS

DATED: _____

BY: _____
ADAM R. TAROSKY
HARSH P. PARIKH
JONAH D. RETZINGER
Nixon Peabody LLP
Counsel for CHS

PNA

DATED: _____

BY: _____
CHRIS ROGGENSTEIN
Chief Executive Officer for PNA

DATED: May 6, 2005

BY:  _____
WILLIAM C. HAHESEY
Sagaser, Watkins & Wieland PC
Counsel for PNA

DATED: _____

BY: _____
RAJA SEKARAN
Epstein, Becker Green
Counsel for PNA

RELATOR

DATED: _____

BY: _____
MICHAEL TERPENING
Relator

CHS

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CRAIG WAGONER
Chief Executive Officer for CHS

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ADAM R. TAROSKY
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DATED: _____

BY: _____
RAJA SEKARAN
Epstein, Becker Green
Counsel for PNA

RELATOR

DATED: 5/5/25

BY:  _____
MICHAEL TERPENING
Relator

DATED: 5/5/2025

BY:



WILLIAM TERPENING
Terpening Law PLLC
Counsel for Relator

DATED: _____

BY:

JEFF MITCHELL
Mitchell Leeds, LLP
Counsel for Relator

DATED: _____

BY: _____
WILLIAM TERPENING
Terpening Law PLLC
Counsel for Relator

DATED: 5-5-25

BY: _____
JEFF MITCHELL
Mitchell Leeds, LLP
Counsel for Relator

Exhibit A

CS-CIDS Providers
Community/PNA Settlement Agreement

Provider	Community Fiscal Year(s)
K.L.	2016
A.S.	2015 to 2018
S.V.	2016 to 2018
A.M.	2016 to 2018
S.S.	2016 to 2018
B.S.	2015 to 2018
J.M.S.	2015 to 2016
A.M.	2016 to 2018
M.C.	2016 to 2018
S.L.	2016 to 2018
J.E.	2015 to 2018
A.M.	2016 to 2018
K.P.	2016 to 2018
S.H.	2017 to 2018
N.A.	2017 to 2018
M.E.S.	2017 to 2018
J.D.	2017 to 2018
J.M.	2017 to 2018
T.T.	2017 to 2018
D.R.	2017 to 2018
J.V.H.	2018
L.D.	2018
J.J.K.	2018
J.H.	2017 to 2018
J.P.	2017 to 2018
B.T.	2017 to 2018
M.P.	2018
J.Y.P.	2018
P.Z.	2018
M.A.	2015 to 2018
G.B.S.	2015 to 2018
W.D.	2015 to 2018
S.K.	2018
S.R.	2015 to 2018
E.T.	2015 to 2018