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FILED IN THE  
U.S. DISTRICT COURT  
EASTERN DISTRICT OF WASHINGTON  
SEP 18 2023  
SEAN F. McAVOY, CLERK  
SPOKANE, WASHINGTON DEPUTY

10     UNITED STATES DISTRICT COURT  
11     FOR THE EASTERN DISTRICT OF WASHINGTON

12     UNITED STATES OF AMERICA;  
13     STATE OF WASHINGTON, *ex rel.*  
14     DR. DEANETTE L. PALMER, PHD,  
15     and RICHARD PALMER, as  
16     RELATORS,

17     Plaintiffs,

18     v.

19     MULTICARE HEALTH SYSTEM  
20     dba MULTICARE DEACONESS  
21     HOSPITAL and MULTICARE  
22     ROCKWOOD CLINIC  
23     NEUROSURGERY AND SPINE  
24     CENTER, and JOHN/JANE DOES 1-  
25     100,

26     Defendants.

No. 2:22-cv-00068-SAB

**FILED EX PARTE  
AND UNDER SEAL**

UNITED STATES' THIRD  
STATUS REPORT AND NOTICE  
OF SETTLEMENT

Pursuant to the False Claims Act, 31 U.S.C. § 3730(b)(2) and (b)(4), and the Court's August 7, 2023 Order (ECF No. 13), the United States of America, by and through Vanessa R. Waldref, United States Attorney for the Eastern District of Washington, and Tyler H.L. Tornabene and Dan Fruchter, Assistant United States Attorneys, respectfully notifies the Court of the current status of parties' negotiations

1 in this cause.<sup>1</sup>

2       As previously relayed to the Court, Defendant MultiCare Health System  
3 (herein “MultiCare”) had agreed to a final settlement resolving the qui tam allegations  
4 in this cause. This included providing a signed False Claims Act settlement  
5 agreement on August 28, 2023. However, as previously provided to this Court, on  
6 August 31, 2023, prior to all required components of the government (including the  
7 United States Department of Health and Human Services) providing final signature  
8 authority, MultiCare informed the United States that it’s previously valid signatures  
9 were no longer to be considered valid as it was tentatively withholding authority to  
10 enter into the False Claims Act settlement. MultiCare explained that this was due to  
11 a deposition of a former Regional Administrator for MultiCare that occurred on  
12 August 30, 2023, in a private cause of action between the Relators, MultiCare, and  
13 others alleging, *inter alia*, medical malpractice. The United States, unlike MultiCare,  
14 had no knowledge of the timing of the upcoming deposition when MultiCare  
15 provided its then valid signatures on August 28, 2023. The United States has since  
16 learned that counsel for MultiCare in the medical malpractice action had confirmed  
17 the August 30, 2023, deposition of its former Regional Administrator on July 12,  
18 2023.

19       Nonetheless, the United States and MultiCare are continuing to engage in  
20 substantive discussions regarding MultiCare’s concerns as to its claimed material  
21 differences between its former Reginal Administrator’s recent testimony and  
22 MultiCare’s factual admissions in the signed settlement agreement. In order to  
23 facilitate the parties’ ability to continue to constructively so engage, the United States  
24

25       <sup>1</sup> The United States had previously informed the Court that it would provide an  
26 additional status report within one week. However, based on its efforts to confer  
27 with MultiCare and obtain additional needed information, counsel for the United  
28 States was unable to file this report within the one-week time frame.

requests that this Court keep this matter under seal for an additional approximate month, to October 11, 2023. This will allow sufficient time for the parties to either finalize the contemplated resolution and resolve this matter in total, including allowing time for MultiCare to fully pay the United States the agreed upon settlement amount, or to proceed forward with the litigation as necessary.

The Relators' counsel has been advised of this status update and has been advised of the current status of the False Claims Act settlement with regard to MultiCare withholding its authority to move forward on its previously provided signatures of August 28, 2023.

Respectfully submitted this 18th day of September, 2023.

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*Counsel for the United States of America*

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on September 18, 2023, a true and correct copy of the foregoing *United States' Third Status Report and Notice of Settlement* was emailed to the Relators as follows:

**GILBERT LAW FIRM, PS**  
**William A. Gilbert**  
421 W. Riverside, Ste 353  
Spokane, WA 99201

**Via Email:** bill@wagilbert.com

Because this action is under seal pursuant to 31 U.S.C. §§ 3729, et seq., defendants have not been served with copies of the foregoing Application. Moreover, to preserve the integrity of the United States' ongoing investigation, relator's counsel has been served with copies of the Application and proposed order, but not the Memorandum in support thereof.

Tyler H.L. Tornabene  
Assistant United States Attorney