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

7 UNITED STATES DISTRICT COURT
8 FOR THE EASTERN DISTRICT OF WASHINGTON

9 UNITED STATES OF AMERICA;
10 STATE OF WASHINGTON, *ex rel.*
11 DR. DEANETTE L. PALMER, PHD,
12 and RICHARD PALMER, as
13 RELATORS,

14 Plaintiffs,

15 v.

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

23 Defendants.

No. 2:22-cv-00068-SAB

**FILED EX PARTE
AND UNDER SEAL**

UNITED STATES' THIRD
STATUS REPORT AND NOTICE
OF SETTLEMENT

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

1 in this cause.¹

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 Regional 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

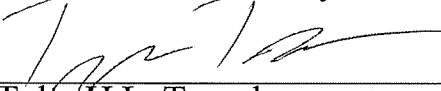
25 ¹ The United States had previously informed the Court that it would provide an
26 additional status report within one week. However, based on its efforts to confer
27 with MultiCare and obtain additional needed information, counsel for the United
28 States was unable to file this report within the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

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

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

10
11 Respectfully submitted this 18th day of September, 2023.

12 Vanessa R. Waldref
13 ~~United States Attorney~~

14 
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Counsel for the United States of America

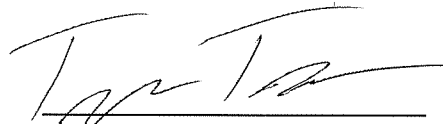
1 **CERTIFICATE OF SERVICE**

2 I HEREBY CERTIFY that on September 18, 2023, a true and correct copy of
3 the foregoing *United States' Third Status Report and Notice of Settlement* was emailed
4 to the Relators as follows:
5

6 GILBERT LAW FIRM, PS
7 **William A. Gilbert**
8 421 W. Riverside, Ste 353
9 Spokane, WA 99201

Via Email: bill@wagilbert.com

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

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17 Tyler H.L. Tornabene
18 Assistant United States Attorney
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