SETTLEMENT AGREEMENT

This Settlement Agreement ("the Agreement") is entered into by and among the United States of America, acting through the United States Department of Justice and the United States Attorney's Office for the Western District of Virginia, and on behalf of the Office of Inspector General of the Department of Health and Human Services ("OIG-HHS") (collectively the "United States"), and Tri-Area Community Health ("TACH"). The United States and TACH are collectively referred to as "the Parties."

RECITALS

A. Tri-Area Community Health ("TACH") is a Virginia non-stock corporation and Federally Qualified Health Center with a principal place of business at 14168 Danville Pike, Laurel Fork, Virginia, that operates six independent clinic locations within the Western District of Virginia. As relevant for purposes of this Agreement, TACH provides Annual Wellness Visits ("AWVs") to Medicare beneficiaries and that are ultimately billed to Medicare utilizing Current Procedural Terminology Codes G0438 and G0439.

B. The United States contends that TACH submitted or caused to be submitted claims for payment to the Medicare Program, Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395lll ("Medicare"), including Medicare managed care as described in 42 U.S.C. §§ 1395w-21 *et seq*.

C. The United States contends that it has certain civil claims and causes of action against TACH related to claims for payment that it submitted or caused to be submitted to Medicare in violation of the False Claims Act ("FCA"), 31 U.S.C. §§ 3729-3733, as follows:

> From August 2022 through December 2025, TACH provided AWVs to Medicare beneficiaries that were provided by pharmacists without physician oversight, without a physician being present physically or virtually, and/or otherwise without appropriate physician supervision, that were ultimately billed under the names of physicians who were not involved with the visits. In total, the United States and TACH have identified relevant paid claims for AWVs totaling $321,075.56 in reimbursement from Medicare.

This conduct described immediately above is referred to herein as the "Covered Conduct."

D. This Agreement is neither an admission of liability by TACH, nor a concession by the United States that its 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. The total settlement pursuant to the terms of this Agreement is Five Hundred Thirteen Thousand Seven Hundred Twenty-Nine Dollars and Ninety Cents ($513,729.90) (the "Settlement Amount"). The Parties agree that TACH's prior repayments to Medicare of Three Hundred Twenty-One Thousand Seventy-Five Dollars and Fifty-Six Cents ($321,075.56), of which Three Hundred Twenty-One Thousand Seventy-Five Dollars and Fifty-Six Cents ($321,075.56) is restitution, is credited towards the Settlement Amount. TACH will pay the balance of One Hundred Ninety-Two Thousand Six Hundred Fifty-Four Dollars and Thirty-Four Cents ($192,654.34) within thirty (30) days of the Effective Date of this Agreement.

2. All Settlement Payments set forth in Paragraph 1 above shall be made by electronic funds transfer pursuant to written instructions to be provided by the United States Attorney's Office for the Western District of Virginia.

3. Subject to the exceptions in Paragraph 4 below, upon the United States' receipt of the total Settlement Amount pursuant to Paragraph 1, the United States releases TACH 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. 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; or

f. Any liability of individuals except as provided herein.

5. TACH waives and shall not assert any defenses TACH 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.

6. TACH fully and finally releases the United States, including any of its agencies, officers, agents, employees, and servants, from any claims or causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) that TACH 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.

7. 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 TACH agree 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.

8. TACH 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 TACH, 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) TACH'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(s) TACH makes to the United States pursuant to this Agreement, including any 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 by TACH, and TACH 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 TACH or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: TACH 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 any 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 TACH 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. TACH agree that the United States, at a minimum, shall be entitled to recoup

from TACH 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, the United States Attorney's Office for the Western District of Virginia, and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by TACH or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on TACH 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 TACH's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

9. 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 10 (waiver for beneficiaries paragraph) below.

10. TACH 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.

11. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

13. 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 Western District of Virginia. 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.

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

15. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below. The undersigned signatories represent and warrant that they are acting in their official capacities and are fully authorized to execute this Agreement on behalf of the relevant entities, including through their respective agencies and departments.

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

17. This Agreement is binding on TACH's successors, transferees, heirs, and assigns.

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

19. 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.

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THE UNITED STATES OF AMERICA

DATED: 4/8/2026

BY: 

Matthew G. Howells
Assistant United States Attorney
Western District of Virginia

DATED: 04/08/26

BY: SUSAN GILLIN Digitally signed by SUSAN GILLIN Date: 2026.04.08 16:25:35 -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

TRI-AREA COMMUNITY HEALTH

DATED: 4/14/2026

BY: _____
James Werth, Jr., Ph.D., ABPP
Chief Executive Officer
As authorized representative for Tri-Area Community Health

DATED: 4/15/2026

BY: _____
Nathan C. Mortier
Counsel for Tri-Area Community Health