

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA *ex rel.*
NANCY CAHILL,

Plaintiff-Relator,

v.

MATRIX MEDICAL NETWORK,
a/k/a CCHN GROUP HOLDINGS, INC.,
a/k/a COMMUNITY CARE HEALTH
NETWORK, LLC, f/k/a
COMMUNITY CARE HEALTH
NETWORK, INC., PROVIDENCE
SERVICE CORPORATION, FRAZIER
HEALTHCARE PARTNERS, and
MERCURY PARENT, LLC,

Defendants.

Case No. 19 Civ. 11153 (ALC)

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

v.

COMMUNITY CARE HEALTH NETWORK
LLC, d/b/a MATRIX MEDICAL NETWORK,

Defendant.

**STIPULATION AND ORDER OF
SETTLEMENT AND DISMISSAL**

WHEREAS, this Stipulation and Order of Settlement and Dismissal (“Stipulation”) is entered into by and among (i) plaintiff the United States of America (the “United States” or “Government”), by its attorney, Jay Clayton, United States Attorney for the Southern District of New York, and on behalf of the Office of Inspector General for the Department of Health and Human Services (“OIG-HHS”); (ii) relator Nancy Cahill (“Relator”), by her authorized

representatives; and (iii) defendant Community Care Health Network, LLC, d/b/a Matrix Medical Network (“Matrix” or “Defendant,” and together with the United States and Relator, the “Parties”), by their authorized representatives;

WHEREAS, Matrix is a health services company headquartered in Nashville, Tennessee that, among other things, contracts with Medicare Advantage organizations (“MAOs”) to provide in-home assessments of beneficiaries enrolled in Medicare Advantage healthcare plans across the country;

WHEREAS, under the Medicare Advantage Program, the Centers for Medicare and Medicaid Services (“CMS”) makes monthly capitated payments to MAOs that administer Medicare Advantage healthcare plans for each beneficiary enrolled in those plans, which payments are adjusted to reflect the predicted cost of insuring each beneficiary;

WHEREAS, CMS relies on “risk adjustment” data, including medical diagnosis codes submitted by MAOs, to determine the capitated payments to be paid for each beneficiary enrolled in a Medicare Advantage plan pursuant to the Hierarchical Conditions Category (“HCC”) model;

WHEREAS, the diagnosis codes reported by the MAOs, which in turn correspond to HCCs and are used to calculate a Risk Adjustment Factor (“RAF”) score, are required by federal regulations to conform with International Classification of Diseases Office Guidelines for Coding and Reporting (“ICD Guidelines”);

WHEREAS, this payment model is designed to pay MAOs more to provide health care for sicker enrollees (expected to incur higher healthcare costs) and less for healthier enrollees (expected to incur lower costs);

WHEREAS, MAOs are required under their contracts with CMS and pursuant to federal regulations to certify the “accuracy, completeness, and truthfulness” of the risk adjustment data submitted to CMS;

WHEREAS, based on the in-home assessments it conducts of Medicare Advantage beneficiaries, Matrix identifies diagnosis codes that are then submitted to MAOs for ultimate submission to CMS as part of their risk adjustment data;

WHEREAS, on or about December 5, 2019, Relator filed a complaint (the “Relator Complaint”) in the U.S. District Court for the Southern District of New York under the *qui tam* provisions of the False Claims Act (“FCA”), 31 U.S.C. § 3729 *et seq.*, against Matrix and others alleging, *inter alia*, that Matrix engaged in a fraudulent scheme to cause the Medicare Advantage program to make inflated payments to MAOs based on unsupported medical diagnoses provided by Matrix;

WHEREAS, the Government alleges that, from January 1, 2014, through December 31, 2019 (the “Covered Period”), Matrix contracted with numerous MAOs to perform in-home assessments of Medicare beneficiaries and violated the FCA by knowingly causing MAOs to submit false and invalid diagnoses of the following medical conditions to CMS for risk adjustment purposes: proliferative diabetic retinopathy, drug-induced polyneuropathy, rheumatoid polyneuropathy, atrial fibrillation, rheumatoid arthritis, chronic obstructive pulmonary disease, and simple chronic bronchitis (the “Invalid Diagnoses”). The Government asserts that Matrix marketed its services to MAOs in part by representing that the assessments would allow the MAOs to capture diagnoses for use in the risk adjustment process that had not been reported by the beneficiaries’ providers. Specifically, the Government alleges that Matrix reported to MAOs Invalid Diagnoses based on in-home assessments even though: (a) there was not sufficient

information to support the diagnosis; (b) the diagnosis did not conform with the ICD Guidelines; and (c) the conditions were frequently not diagnosed by any other healthcare provider who saw the beneficiary during the year in which the home visit occurred or in the preceding two years or subsequent two years. As a result of the reporting of these Invalid Diagnoses, the Government claims that MAOs obtained inflated risk adjustment payments from CMS to which they were not entitled. The conduct described in this Paragraph is the “Covered Conduct” for purposes of this Stipulation;

WHEREAS, contemporaneous with the filing of this Stipulation, the Government is filing a Notice of Election to Partially Intervene and Complaint-In-Intervention in the above-referenced *qui tam* action (the “Government Complaint”), in which it is asserting claims against Defendant under the FCA and common law for the Covered Conduct;

WHEREAS, the Parties have, through this Stipulation, reached a mutually agreeable resolution addressing the claims asserted against Defendant in the Government Complaint and the Relator Complaint for the Covered Conduct;

NOW, THEREFORE, upon the Parties’ agreement, IT IS HEREBY ORDERED that:

TERMS AND CONDITIONS

1. The Parties agree that this Court has subject matter jurisdiction over this action and consent to this Court’s exercise of personal jurisdiction over each of them.
2. Defendant admits, acknowledges, and accepts responsibility for the following conduct during the Covered Period (the “Admitted Conduct”):
 - a. Matrix understands MAOs offer Medicare Advantage plans to beneficiaries across the United States under Medicare Part C. MAOs contract with CMS to provide Part C beneficiaries the benefits traditionally offered under Medicare

Parts A and B in return for a fixed, capitated, monthly amount for each beneficiary enrolled in the Part C plans. Matrix understands that these payments are determined by demographic factors and the health status of the beneficiaries. The capitated payment is based in part on each plan member's risk score, which is in turn based on risk adjustment data, including diagnosis codes, submitted by the MAOs to CMS.

- b. Matrix contracted with over 30 MAOs to conduct health assessments of Medicare Part C plan members in their homes. The MAOs paid Matrix for each assessment conducted.
- c. The in-home assessments were typically performed by nurse practitioners, who collected health histories and medication information, conducted physical exams, and documented diagnostic information on electronic health assessment forms. The nurse practitioners did not provide clinical medical treatment to the plan members or prescribe medications.
- d. Matrix's medical coding team reviewed the health assessment forms and the diagnoses listed. Based on that review, they identified the applicable diagnosis codes, which Matrix reported to the MAOs for ultimate submission to CMS as part of the risk adjustment data.
- e. In certain marketing and other materials provided to MAOs, Matrix advertised, among other things, its ability to identify and document diagnoses that were not otherwise reported by primary care physicians. For example, certain marketing materials referenced the HCC "Lift" or "increase in RAF score" from Matrix's assessments, and estimated the amount by which the

diagnoses Matrix identified increased the risk-adjustment payments received by the MAOs.

- f. Certain contracts with MAOs required Matrix to, among other things, assist the MAO in “capturing Member diagnoses for use in [MAO’s] risk adjustment process” and report on the MAO’s “ROI,” or return on investment. Matrix calculated an MAO’s ROI based, in part, on the estimated increase in Medicare Part C reimbursements received by the MAO that was attributable to risk score increases resulting from Matrix assessments.
- g. As a “first-tier entity” that contracts with MAOs to provide healthcare services, Matrix is required to certify the accuracy and truthfulness of the data it generates relating to claims for payment submitted by the MAOs.
- h. Matrix’s in-home assessments resulted in diagnoses of plan members, and the submission to CMS of resulting risk-adjusting diagnosis codes, that frequently had not been reported by any other healthcare provider who treated the plan member during the year in which the home visit occurred or during the two years before and after the calendar year in which the home visit occurred. In numerous instances, Matrix reported the following conditions to MAOs where the health assessment forms did not contain sufficient clinical information to support the diagnosis: proliferative diabetic retinopathy; drug-induced polyneuropathy; rheumatoid polyneuropathy; atrial fibrillation; rheumatoid arthritis; chronic obstructive pulmonary disease; and simple chronic bronchitis. The MAOs in turn frequently submitted the diagnosis codes corresponding to those conditions to CMS for risk adjustment purposes,

which often resulted in the MAOs receiving higher Medicare Part C reimbursements.

3. Defendant shall pay to the United States a total sum of \$36,500,000, plus interest as set forth below (the “Settlement Amount”), in two installments according to the below schedule. The United States has agreed to allow Defendant to pay the Settlement Amount in two installments based on a review of financial statements and other documentation that Defendant has provided regarding its anticipated cash flow for the year.

- a. Within fourteen (14) business days of the Effective Date (defined below in Paragraph 31), Defendant shall pay the sum of \$20,000,000, plus interest which shall be compounded annually at a rate of 4.25% accruing from November 13, 2025, to the date of the payment.
- b. On or before July 31, 2026, Defendant shall pay the sum of \$16,500,000, plus interest which shall be compounded annually at a rate of 4.25% accruing from November 13, 2025, to the date of the payment.

Defendant shall make the payments in accordance with instructions to be provided by the Financial Litigation Unit of the United States Attorney’s Office for the Southern District of New York. Of the Settlement Amount, \$18,250,000 constitutes restitution to the United States.

4. Relator’s claims for reasonable expenses, attorneys’ fees, and costs under 31 U.S.C. § 3730(d) and Relator’s claims under 31 U.S.C. § 3730(h) are not subject to this Stipulation, but have been resolved by Defendant and Relator via a separate settlement agreement.

5. Defendant agrees to cooperate fully and truthfully with the United States’ investigation of individuals and entities not released in this Stipulation. Upon reasonable notice, Defendant shall encourage, and agree not to impair, the cooperation of its directors, officers, and

employees, and shall use its 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. Defendant further agrees 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.

6. Subject to the exceptions in Paragraph 11 (concerning reserved claims), Paragraph 12 (concerning default), and Paragraph 17 (concerning bankruptcy proceedings) below, and conditioned on Defendant's full compliance with the terms of this Stipulation, including full payment of the Settlement Amount to the United States pursuant to Paragraph 3 above, the United States releases Defendant, including its subsidiaries and corporate predecessors, successors, and assigns, from any civil or administrative monetary claim that the United States has for the Covered Conduct under the FCA, the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a, the Administrative False Claims Act, 31 U.S.C. §§ 3801-3812, and the common law theories of fraud, payment by mistake, and unjust enrichment. For avoidance of doubt, this Stipulation does not release any current or former officer, director, employee, or agent of Defendant from liability of any kind.

7. Defendant fully and finally releases the United States, its agencies, officers, employees, servants, and agents from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Defendant asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, employees, servants, or agents related to the Covered Conduct or the United States' investigation, prosecution and settlement thereof.

8. In consideration of Defendant's obligations in this Stipulation and the Corporate Integrity Agreement ("CIA") entered into between OIG-HHS and Defendant, and conditioned upon Defendant's full payment of the Settlement Amount, and except as expressly reserved in this Paragraph and Paragraph 11 (concerning reserved claims), OIG-HHS agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from Medicare, Medicaid and the Federal health care programs set forth in 42 U.S.C. § 1320a-7b(f) against Defendant 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. OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Defendant 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 OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 11 below.

9. Subject to Paragraph 12 (concerning default) below and Paragraph 17 (concerning bankruptcy proceedings) below, and conditioned on timely payments by Defendant pursuant to Paragraphs 3 and 4 above, Relator, for herself and her heirs, successors, attorneys, partners, representatives, agents, and assigns, releases Defendant, including its current and former parent corporations; direct and indirect subsidiaries, brother or sister corporations; divisions, affiliated practice groups, and other affiliates; as well as all of its current and former owners; officers, directors, employees, attorneys, and other agents, and the corporate predecessors, successors and assigns of any of them, from any and all manner of claims, proceedings, liens, damages, and causes of action, or any other remedy of any kind or description that Relator has against Defendant.

10. In consideration of the execution of this Stipulation by Relator and the Relator's release as set forth in Paragraph 9 above, Defendant, including its subsidiaries, predecessors, and corporate successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, releases Relator and her heirs, successors, attorneys, agents, and assigns, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Defendant has against Relator related to or arising from the Relator Complaint.

11. Notwithstanding the releases given in Paragraph 6 above, or any other term of this Stipulation, the following claims of the Government are specifically reserved and are not released by this Stipulation:

- a. any liability arising under Title 26, United States Code (Internal Revenue Code);
- b. any criminal liability;
- c. except as explicitly stated in this Stipulation, any administrative liability or administrative 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 Stipulation; and
- f. any liability of individuals.

12. Defendant shall be in default of this Stipulation if it fails to make the required payments set forth in Paragraph 3 above on or before the due dates for such payments, or if it fails to comply materially with any other term of this Stipulation that applies to it ("Default"). The

Government will provide a written Notice of Default to Defendant of any Default in the manner set forth in Paragraph 30 below. Defendant shall then have an opportunity to cure the Default within seven (7) calendar days from the date of receipt of the Notice of Default by making the payment due and paying any additional interest accruing under the Stipulation up to the date of payment. If Defendant fails to cure the Default within seven (7) calendar days of receiving the Notice of Default (“Uncured Default”), interest on the remaining unpaid balance shall thereafter accrue at the rate of 12% per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance). In the event of an Uncured Default, Defendant shall agree to the entry of a consent judgment in favor of the United States against Defendant in the amount of the Settlement Amount as attached hereto as Exhibit A. Defendant also agrees that in the event of an Uncured Default, the United States, at its sole discretion, may (i) retain any payments previously made, rescind this Stipulation, and reinstate the claims asserted against Defendant in the Government Complaint, or bring any civil and/or administrative claim, action, or proceeding against Defendant for the claims that would otherwise be covered by the releases provided in Paragraphs 6 and 8, with any recovery reduced by the amount of any payments previously made by Defendant to the United States under this Stipulation; (ii) take any action to enforce this Stipulation in a new action or by reinstating the Government Complaint; (iii) offset the remaining unpaid balance from any amounts due and owing to Defendant and/or affiliated companies by any department, agency, or agent of the United States at the time of Default or subsequently; and/or (iv) exercise any other right granted by law, or under the terms of this Stipulation, or recognizable at common law or in equity. The United States shall be entitled to any other rights granted by law or in equity by reason of Default, including referral of this matter for private collection. In the event the United States pursues a collection action, Defendant agrees

immediately to pay the United States the greater of (i) a ten percent (10%) surcharge of the amount collected, as allowed by 28 U.S.C. § 3011(a), or (ii) the United States' reasonable attorneys' fees and expenses incurred in such an action. In the event that the United States opts to rescind this Stipulation pursuant to this Paragraph, Defendant waives and agrees not to plead, argue, or otherwise raise any defenses of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims that (i) are filed by the United States against Defendant within 120 days of written notification that this Stipulation has been rescinded, and (ii) relate to the Covered Conduct, except to the extent these defenses were available on December 5, 2019. Defendant agrees not to contest any offset, recoupment, and/or collection action undertaken by the United States pursuant to this Paragraph, either administratively or in any state or federal court, except on the grounds of actual payment to the United States.

13. Defendant, having truthfully admitted to the conduct set forth in Paragraph 2 hereof, agrees that it shall not, through its attorneys, agents, officers, or employees, make any public statement, including but not limited to, any statement in a press release, social media forum, or website, that contradicts or is inconsistent with the Admitted Conduct or suggests that the Admitted Conduct is not wrongful (a "Contradictory Statement"). Any Contradictory Statement by Defendant, its attorneys, agents, officers, or employees, shall constitute a violation of this Stipulation, thereby authorizing the Government to pursue any of the remedies set forth in Paragraph 12 hereof, or seek other appropriate relief from the Court. Before pursuing any remedy, the Government shall notify Defendant that it has determined that Defendant has made a Contradictory Statement. Upon receiving notice from the Government, Defendant may cure the violation by repudiating the Contradictory Statement in a press release or other public statement within four business days. If Defendant learns of a potential Contradictory Statement by its

attorneys, agents, officers, or employees, Defendant must notify the Government of the statement within 24 hours. The decision as to whether any statement constitutes a Contradictory Statement or will be imputed to Defendant for the purpose of this Stipulation, or whether Defendant adequately repudiated a Contradictory Statement to cure a violation of this Stipulation, shall be within the sole discretion of the Government. Consistent with this provision, Defendant may raise defenses and/or assert affirmative claims or defenses in any proceeding brought by private and/or public parties, so long as doing so would not contradict or be inconsistent with the Admitted Conduct.

14. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Stipulation; Relator agrees and confirms that the terms of this Stipulation are fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

15. Defendant agrees that it waives and shall not seek payment for any of the health care billings covered by this Stipulation from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors based upon the claims defined as Covered Conduct.

16. Defendant waives and shall not assert any defenses it 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 Stipulation bars a remedy sought in such criminal prosecution or administrative action.

17. In exchange for valuable consideration provided in this Stipulation, Defendant acknowledges the following:

- a. Defendant has reviewed its financial situation and warrants that it is solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and shall remain solvent following payment to the United States of the Settlement Amount.
- b. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Defendant, within the meaning of 11 U.S.C. § 547(c)(1), and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.
- c. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value.
- d. The Parties do not intend to hinder, delay, or defraud any entity to which Defendant was or became indebted on or after the date of any transfer contemplated in this Stipulation, within the meaning of 11 U.S.C. § 548(a)(1).
- e. If any of Defendant's obligations under this Stipulation are avoided for any reason (including but not limited to through the exercise of a trustee's avoidance powers under the Bankruptcy Code) or if, before the Settlement Amount is paid in full, Defendant or a third party commences a case, proceeding, or other action under any law relating to bankruptcy, insolvency, reorganization, or relief of debtors seeking any order for relief of Defendant's debts, or to adjudicate Defendant as bankrupt or insolvent, or seeking appointment of a receiver,

trustee, custodian, or other similar official for Defendant or for all or any substantial part of Defendant's assets:

- i. the United States may rescind the releases in this Stipulation and bring any civil and/or administrative claim, action, or proceeding against Defendant for the claims that would otherwise be covered by the releases provided in Paragraphs 6 and 8;
 - ii. the United States has an undisputed, noncontingent, and liquidated allowed claim against Defendant in the amount of \$36,500,000, less any payments received pursuant to the Stipulation, provided, however, that such payments are not otherwise avoided and recovered from the United States by Defendant, a receiver, trustee, custodian, or other similar official for Defendant; and
 - iii. if any payments are avoided and recovered by Defendant, a receiver, trustee, custodian, or similar official for Defendant, Relator shall, within thirty days of written notice from the United States to the undersigned Relator's counsel, return any portions of such payments already paid by the United States to Relator.
- f. Defendant agrees that any civil and/or administrative claim, action, or proceeding brought by the United States under Paragraph 17(e) above is not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) because it would be an exercise of the United States' police and regulatory power. Defendant shall not argue or otherwise contend that the United States' claim, action, or proceeding is subject to an automatic stay and, to the extent necessary, consents

to relief from the automatic stay for cause under 11 U.S.C. § 362(d)(1). Defendant waives and shall not plead, argue, or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel, or similar theories, to any such civil or administrative claim, action, or proceeding brought by the United States within 120 days of written notification to Defendant that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on December 5, 2019.

18. 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) related to the Covered Conduct; and Defendant agrees not to resubmit to any Medicare contractor 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.

19. Defendant 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. §§ 1395-1395*III* and 1396-1396w; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Defendant, including its present or former officers, directors, employees, and agents in connection with:

(1) the matters covered by this Stipulation;

(2) the United States' audit(s) and civil investigation(s) of matters covered by this Stipulation;

- (3) Defendant's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with matters covered by this Stipulation (including attorneys' fees);
- (4) the negotiation and performance of this Stipulation;
- (5) any payment Defendant makes to the United States pursuant to this Stipulation and any payment Defendant may make to Relator, including expenses, 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, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as "Unallowable Costs"). However, nothing in Paragraph 19(a)(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowed based on any other authority applicable to Defendant.

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Defendant, and Defendant 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 Defendant or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

- c. Treatment of Unallowable Costs Previously Submitted for Payment: Within 90 days of the Effective Date of this Stipulation, Defendant 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 Defendant 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. Defendant agrees that the United States, at a minimum, shall be entitled to recoup from Defendant 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, including the Department of Justice and/or the affected agencies, reserves its rights to disagree with any calculation submitted by Defendant or any of its subsidiaries or affiliates on the effect of inclusion of

Unallowable Costs (as defined in this Paragraph) on Defendant's or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

- d. Nothing in this Stipulation shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Defendant's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

20. This Stipulation 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 as otherwise provided herein.

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

22. Any failure by the Government to insist upon the full or material performance of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and the Government, notwithstanding that failure, shall have the right thereafter to insist upon the full or material performance of any and all of the provisions of this Stipulation.

23. This Stipulation is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Stipulation is the United States District Court for the Southern District of New York.

24. For purposes of construing this Stipulation, this Stipulation shall be deemed to have been drafted by all Parties to this Stipulation and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

25. This Stipulation constitutes the complete agreement between the Parties with respect to the subject matter hereof. This Stipulation may not be amended except by written

consent of the Parties. No prior agreements, oral representations or statements shall be considered part of this Stipulation.

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

27. This Stipulation is binding on Defendant's successors, transferees, heirs, and assigns.

28. This Stipulation is binding on Relator's successors, transferees, heirs, and assigns.

29. This Stipulation may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Stipulation. E-mails that attach signatures in PDF form or facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Stipulation.

30. Any notice pursuant to this Stipulation shall be in writing and shall, unless expressly provided otherwise herein, be delivered by hand, express courier, or e-mail transmission followed by postage-prepaid mail, and shall be addressed as follows:

TO THE UNITED STATES:

Rachael Doud
Ilan Stein
Assistant United States Attorneys
United States Attorney's Office
Southern District of New York
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ilan.stein@usdoj.gov

TO DEFENDANT:

Laura G. Hoey
Ropes & Gray LLP
191 North Wacker Drive, 32nd Floor
Chicago, Illinois 60606
Laura.Hoey@ropesgray.com

TO RELATOR:

Renee Brooker
Eva Gunasekera
Tycko & Zavareei LLP
2000 Pennsylvania Avenue NW, Suite 1010
Washington, DC 20006
reenebrooker@tzlegal.com
eva@tzlegal.com

31. The effective date of this Stipulation is the date upon which the Stipulation is approved by the Court (the “Effective Date”).

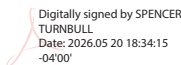
Agreed to by:

THE UNITED STATES OF AMERICA

Dated: May 26, 2026

JAY CLAYTON
United States Attorney for the
Southern District of New York
By: 
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Counsel for the United States

Dated: _____

Office of the Inspector General, the U.S.
Department of Health and Human Services
By: SPENCER
TURNBULL 
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

RELATOR NANCY CAHILL

Dated: 5/14/2026

DocuSigned by:

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Nancy Cahill

Dated: 5/14/2026

TYCKO & ZAVAREEI LLP

By: *Renee Brooker*
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KATZ, BANKS, KUMIN

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Counsel for the Relator

DEFENDANT

Dated: 5-14-2026

Matrix Medical Network

By:

Mark Eggert
Mark Eggert
General Counsel

Dated: 5.14.26

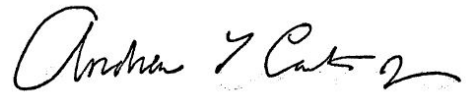
ROPES & GRAY LLP

By:

Laura G. Hoey
Laura G. Hoey
Deborah Kantar Gardner
Jaime Orloff Feeney
191 North Wacker Drive, 32nd Floor
Chicago, Illinois 60606
312-845-1200
Counsel for Defendant

SO ORDERED:

Dated: June 2, 2026

A handwritten signature in black ink, appearing to read "Andrew L. Carter", written over a horizontal line.

HON. ANDREW L. CARTER
United States District Judge

Exhibit A

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

UNITED STATES OF AMERICA *ex rel.*
NANCY CAHILL,

Plaintiff-Relator,

v.

MATRIX MEDICAL NETWORK,
a/k/a CCHN GROUP HOLDINGS, INC.,
a/k/a COMMUNITY CARE HEALTH
NETWORK, LLC, f/k/a
COMMUNITY CARE HEALTH
NETWORK, INC., PROVIDENCE
SERVICE CORPORATION, FRAZIER
HEALTHCARE PARTNERS, and MERCURY
PARENT, LLC,

Defendants.

19 Civ. 11153 (ALC)

UNITED STATES OF AMERICA,

Plaintiff-Intervenor,

v.

COMMUNITY CARE HEALTH NETWORK
LLC, d/b/a MATRIX MEDICAL NETWORK,

Defendant.

CONSENT JUDGMENT

Upon the consent of Plaintiff the United States of America and Defendant Community Care Health Network, LLC, d/b/a Matrix Medical Network, it is hereby:

ORDERED, ADJUDGED and DECREED: that Plaintiff the United States of America is awarded judgment in the amount of \$36,500,000 against Community Care Health Network, LLC, d/b/a Matrix Medical Network, as well as post-judgment interest at the rate of 12% per annum compounded annually.

SO STIPULATED AND AGREED TO BY:

THE UNITED STATES OF AMERICA

Dated: May 26, 2026

JAY CLAYTON
United States Attorney for the
Southern District of New York

By: 

RACHAEL DOUD

ILAN STEIN

Assistant United States Attorneys
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Counsel for the United States

DEFENDANT

Dated: 5-14-2026

Matrix Medical Network

By: Mark Eggert
Mark Eggert
General Counsel

Dated: 5.14.26

ROPES & GRAY LLP

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Laura G. Hoey
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Jaime Orloff Feeney
191 North Wacker Drive, 32nd Floor
Chicago, Illinois 60606
312-845-1200

Counsel for Defendant

SO ORDERED:

Dated: New York, New York
June 2, 2026

Andrew L. Carter

HON. ANDREW L. CARTER
United States District Judge