

EXHIBIT A

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”), the Defense Health Agency (“DHA”), acting on behalf of the TRICARE Program; (collectively, the “United States”); the State of Florida, acting through the Florida Office of The Attorney General (“State of Florida”); Putnam Community Medical Center of North Florida, LLC, LifePoint Holdings 2, LLC (“LH2”), and Willard Revels (“Relator”) (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Putnam Community Medical Center of North Florida, LLC is a Florida limited liability company that owns and operates Putnam Community Medical Center, a 99-bed acute care facility (“Hospital”). The Hospital was previously operated by Putnam Community Medical Center, LLC (now dissolved), which was solely owned by LH2.

B. On July 16, 2019, Relator Willard Revels filed a *qui tam* action in the United States District Court for the Middle District of Florida captioned *United States, State of Florida ex rel. Willard Revels v. Putnam Community Medical Center of North Florida, LLC, et al.*, Case No. 3:19-cv-834-J-32JRK, pursuant to the False Claims Act, 31 U.S.C. § 3730(b) (“Civil Action”). Relator specifically alleged violations of 31 U.S.C. §§ 3729(a)(1)(A), (a)(1)(B), (a)(1)(G) and Fla. Stat. §§ 68.083(2)(a), (2)(b), and (2)(g). The United States and the State of Florida declined to intervene in the Civil Action on October 30, 2020. Relator filed a First Amended Complaint on January 22, 2021, and a Second Amended Complaint on February 16, 2022, naming only Putnam Community Medical Center of North Florida, LLC as a defendant. The substantive causes of action remained the same. On October 26, 2022, the Court granted

Defendant's motion to dismiss in part, leaving only Relator's allegations that from December 2013 to February 2019, Putnam Community Medical Center of North Florida, LLC and Putnam Community Medical Center, LLC purportedly submitted false claims to Medicare, Medicaid, Tricare and other federal reimbursement programs in connection with a now-closed sleep center they allegedly operated with inadequate physician supervision required under 42 C.F.R. 410.32, and failed to comply with two local coverage determinations ("LCDs"), namely, LCDs L29949 and L36839. All other claims alleged by Relator were dismissed with prejudice by the Court's Order, including the downstream claims. (Dkt. 81).

C. The United States and the State of Florida contend that Putnam Community Medical Center of North Florida, LLC and Putnam Community Medical Center, LLC 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"); the Medicaid Program, 42 U.S.C. §§ 1396-1396w-5 ("Medicaid"); and the TRICARE Program, 10 U.S.C. §§ 1071-1110b ("TRICARE").

D. The United States and the State of Florida contend that they have certain civil claims against Putnam Community Medical Center of North Florida, LLC, including its predecessors and affiliates, arising from claims for diagnostic sleep testing services conducted at its now-closed sleep center, which the United States and the State of Florida allege were not provided with adequate physician supervision and in conformity with LCDs L29949 and L36839 during the period from December 2013 through February 2019. That conduct is referred to below as the "Covered Conduct."¹

¹The Covered Conduct represents the only claims from Relator's Second Amended Complaint that survived the Court's Order.

E. This Settlement Agreement is neither an admission of liability by Putnam Community Medical Center of North Florida, LLC, nor a concession by the United States, the State of Florida, or Relator that the claims are not well founded.

F. Relator claims entitlement under 31 U.S.C. § 3730(d) and 68.085(2), Fla. Stat. to a share of the proceeds of this 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. Putnam Community Medical Center of North Florida, LLC, shall pay to the United States One Million dollars (\$1,000,000.00) ("Settlement Amount") no later than thirty (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 Middle District of Florida.

2. Conditioned upon the United States, DHA, and the State of Florida receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay Relator by electronic funds transfer to the IOTA Trust Account of Relator's counsel 30% of the Settlement Amount, i.e., \$300,000.00 ("Relator's Share").

3. Putnam Community Medical Center of North Florida, LLC acknowledges that Relator and his attorney are entitled to reasonable expenses that the Court finds to have been necessarily incurred, plus reasonable attorneys' fees and costs under 31 U.S.C. § 3730(d); provided, however, Putnam Community Medical Center of North Florida, LLC expressly reserves the right to challenge the amounts, the necessity, the appropriateness, and all aspects of

the reasonableness of Relator's claims for attorneys' fees, expenses and costs. Putnam Community Medical Center of North Florida, LLC agrees to pay such reasonable expenses and attorneys' fees and costs at such a time as they are determined to be payable by the Court, or as otherwise agreed by Relator and Putnam Community Medical Center of North Florida, LLC.

4. Subject to the exceptions in Paragraph 9 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases Putnam Community Medical Center of North Florida, LLC and LH2, including their current and former corporate owners, their parent corporations (e.g., HCA Healthcare, Inc. ("HCA")), current and former subsidiaries (e.g., Putnam Community Medical Center, LLC), current and former corporate affiliates (e.g., Parallon Business Solutions, LLC ("Parallon")), and the corporate successors and assigns from any civil or administrative monetary claim that 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.

5. Subject to the exceptions in Paragraph 10 below (concerning reserved claims), and upon the State of Florida's receipt of the Settlement Amount, the State of Florida releases Putnam Community Medical Center of North Florida, LLC and LH2, including their current and former corporate owners, their parent corporations (e.g., HCA), current and former subsidiaries (e.g., Putnam Community Medical Center, LLC), all current or former corporate affiliates (e.g., Parallon), and their corporate successors and assigns from any civil or administrative monetary claim the State of Florida has for any claims submitted or caused to be submitted to the State of Florida's Medicaid Program or its contracted Managed Care Organizations as a result of the Covered Conduct. Nothing in this Agreement precludes the

State of Florida from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 10, below.

6. Subject to the exceptions in Paragraph 3 and upon the United States' receipt of full payment of the Settlement Amount:

a. Relator, for himself and for his heirs, successors, attorneys, agents, and assigns, releases Putnam Community Medical Center of North Florida, LLC and LH2, including their current and former corporate owners, their current and former parent corporations (e.g., HCA), their current and former subsidiaries (e.g., Putnam Community Medical Center, LLC), their current and former corporate affiliates (e.g., Parallon), and their corporate successors and assigns, including, but not limited to, their current or former employees, officers, directors, attorneys, agents, and representatives (collectively, "the Putnam Released Parties") from any action, in law or in equity, suits, debts, liens, contracts, agreements, covenants, promises, liability, obligations, claims, demands, rights of subrogation, contribution and indemnity, damages, loss, cost or expenses, direct or indirect, of any kind or nature, including, but not limited to any, any claim that the Relator brought or could have brought in the Civil Action, known or unknown, fixed or contingent, state or federal, under common law, statute or regulation, liquidated or unliquidated, claimed or concealed, and without regard to the date of occurrence, which Relator had, now has, may assert, or may in the future claim to have, against the Putnam Released Parties by reason of any act, cause, matter, or thing from the beginning of time to the date hereof. To be clear, therefore, Relator herein grants a general release to the Putnam Released Parties in accordance with the foregoing terms. Relator further represents, covenants, and warrants that he has not assigned any claim within the scope of the general release to any individual or entity.

b. Putnam Community Medical Center of North Florida, LLC and LH2 (on behalf of itself and Putnam Community Medical Center, LLC) release Relator, his heirs, successors, attorneys and assigns (collectively, the “Relator Released Parties”) from any action, in law or in equity, suits, debts, liens, contracts, agreements, covenants, promises, liability, obligations, claims, demands, rights of subrogation, contribution and indemnity, damages, loss, cost or expenses, direct or indirect, of any kind or nature, including, but not limited to any claim that Putnam Community Medical Center of North Florida, LLC, Putnam Community Medical Center, LLC, or LH2 could have brought in the Civil Action against the Relator Released Parties, known or unknown, fixed or contingent, state or federal, under common law, statute or regulation, liquidated or unliquidated, claimed or concealed, and without regard to the date of occurrence, which either of them had, now have, may assert, or may in the future claim to have, against the Relator Released Parties by reason of any act, cause, matter, or thing from the beginning of time to the date hereof. To be clear, Putnam Community Medical Center of North Florida, LLC, Putnam Community Medical Center, LLC, and LH2, herein grant a general release to the Relator Released Parties in accordance with the foregoing terms. Putnam Community Medical Center of North Florida, LLC, and LH2 (on behalf of itself and Putnam Community Medical Center, LLC) further represent, covenant, and warrant that they have not assigned any claim within the scope of the general release to any individual or entity.

7. In consideration of the obligations of Putnam Community Medical Center of North Florida, LLC set forth in this Agreement, and upon the United States’ receipt of full payment of the Settlement Amount, DHA shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE Program against Putnam Community Medical Center of North Florida, LLC under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 9 (concerning reserved

claims), below. Nothing in this paragraph precludes DHA or the TRICARE Program from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 9, below.

8. Upon receipt of the payment described in Paragraph 1 above, the United States shall promptly move to reopen the case and intervene for purposes of settlement and dismissal, disclosing to the Court that Relator no longer objects to resolving this action in its entirety pursuant to the terms set forth herein and that a fairness hearing is no longer required. The Parties shall contemporaneously sign and, once the Court permits the United States to intervene in the action, the United States shall file the joint stipulation of dismissal that is attached hereto as Exhibit A.

9. Notwithstanding the releases given in Paragraph 4 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;
- f. Any liability of individuals;
- g. Any liability for failure to deliver goods or services due;
- h. Any liability for a fraudulent transfer or conveyance; and

- i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

10. Notwithstanding the releases given in Paragraph 5 of this Agreement, or any other term of this Agreement, the following claims and rights of the State of Florida are specifically reserved and are not released:

- a. Any criminal, civil, or administrative liability arising under state revenue codes;
- b. Any criminal liability;
- c. Any civil administrative liability that any person or entity, including Putnam Community Medical Center of North Florida, LLC, have or may have to Florida or to the individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the release in paragraph 5 above, including by not limited to, any and all of the following claims: (i) State of Florida or federal antitrust violations and (ii) claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- d. Except as explicitly stated in this Agreement, any administrative liability, including mandatory or permissive exclusion from Florida's Medicaid program;
- e. Any liability to the State of Florida (or its agencies) for any conduct other than the Covered Conduct;
- f. Any liability based upon obligations created by this Agreement;
- g. Any liability of individuals;
- h. Any liability for express or implied warranty claims or other claims for defective or deficient products and services, including quality of goods and services;

i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct; and

j. Any liability for failure to deliver goods or services due.

11. 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. Conditioned upon Relator's receipt of the Relator's Share as provided for herein, Relator and his heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States and State of Florida, 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 or Fla. Stat. §68.081 et seq., and from any claims to a share of the proceeds of this Agreement and/or the Civil Action; provided, however, nothing herein is intended to waive Relator's claim of entitlement to recover reasonable expenses, attorneys' fees, and costs under 31 U.S.C. § 3730(d).

12. Putnam Community Medical Center of North Florida, LLC, waives and shall not assert any defenses Putnam Community Medical Center of North Florida, LLC 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. Putnam Community Medical Center of North Florida, LLC fully and finally releases the United States, DHA, the State of Florida, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Putnam Community Medical Center of North Florida, LLC has

asserted, could have asserted, or may assert in the future against the United States, the State of Florida, its agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' and the State of Florida's investigation or prosecution thereof.

14. 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 (including but not limited to the State of Florida's Medicaid program, or any other Florida program payor), related to the Covered Conduct; and Putnam Community Medical Center of North Florida, LLC agrees not to resubmit to any Medicare, Medicaid or TRICARE 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.

15. Putnam Community Medical Center of North Florida, LLC 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 Putnam Community Medical Center of North Florida, LLC, 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) Putnam Community Medical Center of North Florida, LLC'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 Putnam Community Medical Center of North Florida, LLC makes to the United States and the State of Florida pursuant to this Agreement and any payments that Putnam Community Medical Center of North Florida, LLC 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, 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 for by Putnam Community Medical Center of North Florida, LLC, and Putnam Community Medical Center of North Florida, LLC 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 Putnam Community Medical Center of North Florida, LLC or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Putnam Community Medical Center of North Florida, LLC 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 Putnam Community Medical Center of North Florida, LLC 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. Putnam Community Medical Center of North Florida, LLC agrees that the United States and the State of Florida, at a minimum, shall be entitled to recoup from Putnam Community Medical Center of North Florida, LLC 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 and the State of Florida reserve their rights to disagree with any calculations submitted by Putnam Community Medical Center of North Florida, LLC or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Putnam Community Medical Center of North Florida, LLC 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 or State of Florida to audit, examine, or re-examine books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

16. This Agreement is intended to be for the benefit of the Parties only. Beyond the releases granted by the Parties herein, the Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 19 (waiver for beneficiaries paragraph), below.

17. Putnam Community Medical Center of North Florida, LLC 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.

18. Except as set forth in paragraph 3 above, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

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

20. 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 Middle District of Florida. 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.

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

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

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

24. This Agreement is binding on Putnam Community Medical Center of North Florida, LLC's successors, transferees, heirs, and assigns.

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

26. All Parties consent to the each other's disclosure of this Agreement, and information about this Agreement, to the public.

27. 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: 10/26/23

BY: *Kelley C. Howard-Allen*
KELLEY C. HOWARD-ALLEN
Assistant United States Attorney
Middle District of Florida

DEFENSE HEALTH AGENCY


DATED: 08/29/2023

BY: BLEY.PAUL.NICHOLAS.1099873821
LAS.1099873821 Digitally signed by
BLEY.PAUL.NICHOLAS.1099873821
Date: 2023.08.29 10:52:34 -04'00'

for SALVATORE M. MAIDA
General Counsel
Defense Health Agency
United States Department of Defense

STATE OF FLORIDA


DATED: Oct 20, 2023

BY: 

JOHN M. GUARD
Chief Deputy Attorney General for the
State of Florida

PUTNAM COMMUNITY MEDICAL CENTER OF NORTH FLORIDA, LLC

DATED: 10-19-23

BY: 

Brian Nunn
Chief Executive Officer
Putnam Community Medical
Center of North Florida, LLC

DATED: _____

BY: _____

Martin Goldberg, Esq.
Daryl L. Saylor, Esq.
Counsel for Putnam Community
Medical Center of North Florida, LLC

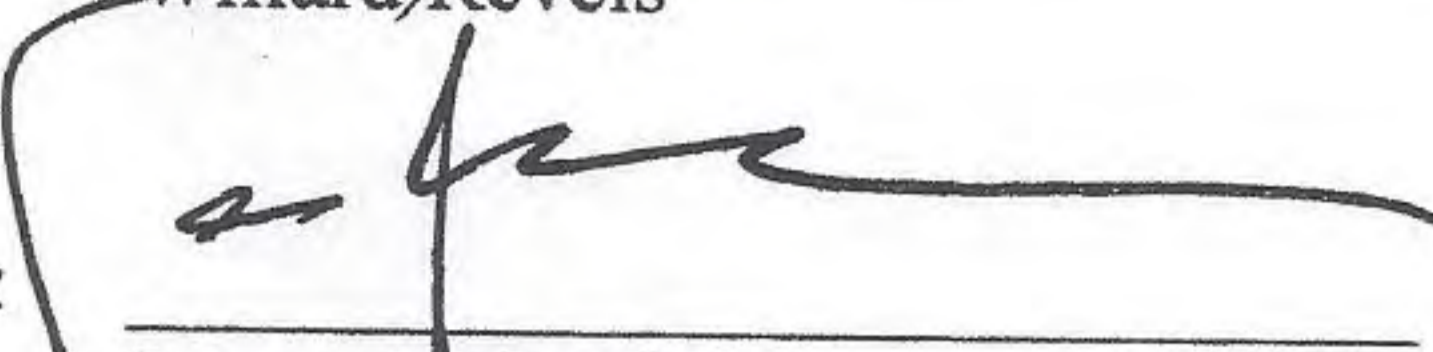
WILLARD REVELS - RELATOR

DATED: 9.5.2023

BY: 

Willard Revels

DATED: 9.1.23

BY: 

James A. Gustino
Counsel for Willard Revels

PUTNAM COMMUNITY MEDICAL CENTER OF NORTH FLORIDA, LLC

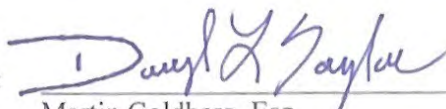
DATED: _____

BY:

Brian Nunn
Chief Executive Officer
Putnam Community Medical
Center of North Florida, LLC

DATED: 10.19.2023

BY:



Martin Goldberg, Esq.
Daryl L. Saylor, Esq.
Counsel for Putnam Community
Medical Center of North Florida, LLC

LIFEPOINT HOLDINGS 2, LLC

DATED: 10/23/2023

BY: Charlotte Lawrence
Charlotte Lawrence
Secretary
LifePoint Holdings 2, LLC

DATED: 10/23/2023

BY: John H. Lawrence
John H. Lawrence
Counsel for LifePoint Holdings 2, LLC