

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), (collectively, the “United States”), and Amedisys, Inc. (“Amedisys”) as the sole member of Amedisys Holding, L.L.C., which acquired Evolution Health, L.L.C., Guardian Health Care, Inc., Gem City Home Care, LLC, and Care Connection of Cincinnati, LLC, (hereafter collectively referred to as “the Parties”), through their authorized representatives.

RECITALS

A. Guardian Health Care, Inc., Gem City Home Care, LLC, and Care Connection of Cincinnati, LLC (the “Agencies”) are home health agencies that were, during the relevant time period, owned by Evolution Health, L.L.C., (together with the Agencies, the “Settling Companies”), and provided home health services to beneficiaries of the Medicare program.

B. On March 14, 2022, the Settling Companies disclosed to the United States that the Agencies had potentially violated the Anti-Kickback Statute, 42 U.S.C. 1320a-7b(b), by providing items of value, including lease payments, to assisted living facilities in Ohio, Indiana, and Texas, for the purpose of operating wellness centers to induce referrals and self-referrals of the facilities’ residents to Medicare. The Settling Companies terminated the conduct, preserved and collected all documents relevant to the conduct, filed a supplemental disclosure and cooperated with the Government’s investigation of the conduct in several respects including, but not limited to, self-disclosing the conduct to the government, continuing their independent investigation, identifying the individuals involved, and assisting in the determination of potential losses caused to Medicare. The Settling Companies received credit under the Department of

Justice’s guidelines for taking disclosure, cooperation, and remediation into account in False Claims Act cases, Justices Manual §4-4.112.

C. The United States contends that the Settling Companies 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”).

D. The United States contends that it has certain civil claims against the Settling Companies arising from their provision of illegal kickbacks to assisted living facilities and physicians in exchange for Medicare referrals in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). Specifically, between June 28, 2013, through March 31, 2022, the Settling Companies provided remuneration, including lease payments, wellness-related activities, first aid, and preventive health services, sports tickets, meals, and other valuable benefits, to the staff and residents of 46 assisted living facilities (listed in Attachment A), and to 15 referring healthcare providers (listed in Attachment A). In exchange, the Settling Companies expected and received referrals of the assisted living facilities’ residents and the referring healthcare providers’ patients to the Settling Companies for home health services. This conduct violated the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). The Settling Companies subsequently submitted claims to the Medicare program for home health services provided to the assisted living facilities’ residents and the referring healthcare providers’ patients. That conduct is referred to below as the “Covered Conduct.”

E. Amedisys, Inc. acquired the Settling Companies on April 1, 2022.

F. This Settlement Agreement is neither an admission of liability by the Settling Companies nor a concession by the United States that its claims are not well founded.

G. 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 Settling Companies shall pay to the United States four million, four hundred and ninety-six thousand, three hundred and thirty-three dollars (\$4,496,330), plus accrued interest at the annual rate of 5% from February 26, 2024, to the Effective Date of this Settlement Agreement (“Settlement Amount”), of which \$2,114,491.75 is restitution, 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 Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 4 (concerning reserved claims) below, and upon the United States’ receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases the Settling Companies, together with their current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them, 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.

3. In consideration of the obligations of Guardian Health Care, Inc., Gem City Home Care, LLC, Care Connection of Cincinnati, LLC, and Evolution Health, LLC, in this Agreement, and upon the United States’ receipt of full payment of the Settlement Amount plus interest due under Paragraph 1, the OIG-HHS shall release and refrain from instituting, directing, or

maintaining any administrative action seeking exclusion from Medicare, Medicaid, and other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against Guardian Health Care, Inc., Gem City Home Care, LLC, Care Connection of Cincinnati, LLC, and Evolution Health, LLC, 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, except as reserved in this paragraph and in Paragraph 4 (concerning reserved claims), below. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude Guardian Health Care, Inc., Gem City Home Care, LLC, Care Connection of Cincinnati, LLC, and Evolution Health, LLC, 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 the OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 4, below.

4. Notwithstanding the release given in Paragraph 2 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 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;

5. The Settling Companies waive and shall not assert any defenses the Settling Companies 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. The Settling Companies fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that the Settling Companies have asserted, could have asserted, or may assert in the future against the United States, and its agencies, officers, agents, employees, and servants related to the Covered Conduct and the United States' investigation and 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 the Settling Companies agree not to resubmit to any Medicare contractor or any state payer any previously denied claims related to the Covered Conduct, agree not to appeal any such denials of claims, and agree to withdraw any such pending appeals.

8. The Settling Companies agree 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 the Settling Companies,

their 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) The Settling Companies' 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 the Settling Companies make to the United States pursuant to this Agreement.

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 the Settling Companies, and the Settling Companies 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 the Settling Companies or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Settling Companies further agree 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 the Settling Companies or any of their 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. The Settling Companies agree that the United States, at a minimum, shall be entitled to recoup from the Settling Companies 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 reserves its rights to disagree with any calculations submitted by the Settling Companies or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on the Settling Companies or any of their 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 the Settling Companies' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

9. The Settling Companies agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable

notice, the Settling Companies shall encourage, and agree not to impair, the cooperation of their directors, officers, and employees, and shall use their 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. The Settling Companies further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in their possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on their behalf.

10. 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 Paragraphs 2, 3, and 11 (waiver for beneficiaries paragraph), below.

11. The Settling Companies agree that they waive 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.

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

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

14. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Southern District of Ohio. 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.

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

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

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

18. This Agreement is binding on the Settling Companies' successors, transferees, heirs, and assigns.

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

20. 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: _____

BY: _____

Elizabeth A. Strawn
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: _____

BY: _____

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

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THE UNITED STATES OF AMERICA

DATED: _____

BY: _____

Elizabeth A. Strawn
Trial Attorney
Commercial Litigation Branch
Civil Division
United States Department of Justice

DATED: 6/27/2024

BY: Robert K. DeConti Chief Counsel for

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

SETTLING COMPANIES

Evolution Health, L.L.C

DATED: 6/28/24

BY: Jennifer D. Griffin
TITLE: Secretary

Guardian Health Care, Inc.

DATED: 6/28/24

BY: Jennifer D. Griffin
TITLE: Secretary

Gem City Home Care, LLC

DATED: 6/28/24

BY: Jennifer D. Griffin
TITLE: Secretary

Care Connection of Cincinnati, LLC

DATED: 6/28/24

BY: Jennifer D. Griffin
TITLE: Secretary

Attachment to Settlement Agreement

List of 46 Assisted Living Facilities Referenced in Paragraph D regarding “Covered Conduct.”

	Facility Name	Facility Address
1	Senior Star at The Kenwood	5435 Kenwood Road, Cincinnati, OH 45227
2	Barrington of Oakley (Babson Senior Care)	4855 Babson Place, Cincinnati, OH 45227
3	Wellington at Dayton	2656 Alex Bell Road, Dayton, OH 45459
4	The Barrington of West Chester	7222 Heritagespring Drive, West Chester, OH 45069
5	HarborChase of Beavercreek	4175 Indian Ripple Road, Beavercreek, OH 45440
6	Danbury Senior Living	2870 Snouffer Road, Columbus, OH 43235
7	Magnolia Springs Loveland	767 Loveland-Miamiville Road, Loveland, OH 45140
8	Danbury at Carriage Trails LLC	8001 Red Buckeye Drive, Tipp City, OH 45371
9	Bridgeway Pointe	165 W Galbraith Road, Cincinnati, OH 45216
10	Watercrest at Mansfield	250 E. Debbie Lane, Mansfield, TX 76063
11	Springfield Assisted Living	2981 Vester Avenue, Springfield, OH 45503
12	The Woodlands of Middletown	3000 McGee Avenue, Middletown, OH 45044
13	The Landing at Long Cove	5535 Irwin Simpson Road, Mason, OH 45040
14	Sunrise Senior Living Services, Inc.	6800 Paragon Drive, Dayton, OH 45459
15	Watermark Pinebrook, LLC	5877 Wolfpen-Pleasant Hill Road, Milford, OH 45150
16	Laurelwood Assisted Living, LLC	3797 Summit Glen Drive, Dayton, OH 45449
17	Atria Northgate Park	9191 Round Top Road, Cincinnati, OH 45251
18	Inn at Renaissance Village	4375 Union Road, Middletown, OH 45005
19	Anthology of Mason (Sheridan at Mason)	5373 Merten Drive, Mason, OH 45040
20	Senior Anderson Township	6849 Beechmont Ave, Cincinnati, OH 45230
21	Woodlands of Hamilton	896 NW Washington Blvd, Hamilton, OH 45013
22	The Woodlands of Columbus	5380 E. Broad Street, Columbus, OH 43213
23	Elmcroft of Xenia	60 Paceline Circle, Xenia, OH 45385
24	Legacy Village (Traditions at Xenia)	1201 Livingston Lane, Xenia, OH 45385
25	Artis Senior Living of Mason	6200 Snider Road, Mason, OH 45040
26	Discovery Village at Dominion	6870 Heuermann Road, San Antonio, TX 78256
27	Dayton Friendship Village	5790 Denlinger Road, Dayton, OH 45426
28	10 Wilmington Place	10 Wilmington Avenue, Dayton, OH 45420
29	Mason Christian Village	411 Western Row Road, Mason, OH, 45040
30	The Legacy at Liberty Ridge	7200 Heritagespring Dr, West Chester Township, OH 45069
31	Garden Estates of Corpus Christi	2709 Cimarron Blvd, Corpus Christi, TX 78414
32	Siena Village Senior Living	6045 N. Main Street, Dayton, OH 45415

33	Caldwell House	2900 Corporate Drive, Troy, OH 45373
34	Carriage Court of Hilliard	3570 Heritage Club DriveHilliard, OH 43026
35	Miller Farm Place	8130 Miller Farm Lane, Dayton, OH 45458
36	Cottages of Clayton	8212 N. Main Street, Dayton, OH 45415
37	Waterford of Fairfield	1460 Corydale Drive, Fairfield, OH 45014
38	Meridian Kessler Park	2522 Ft. Worth Avenue, Dallas, TX 75211
39	Artis Senior Living of Bridgetown	5799 Bridgetown Road, Cincinnati, OH 45428
40	The Valley: Active Senior Living	10620 Montgomery Road, Cincinnati, OH 45242
41	Franklin Park at Sonterra	18323 Sonterra Place, San Antonio, TX 78258
42	Gardens of Bellaire	4620 Bellaire Blvd, Bellaire, TX 77401
43	Carriage Inn	4235 Boonville Road, Bryan, TX 77802
44	Carlyle House	3490 Far Hills Avenue, Dayton, OH 45429
45	Franklin Morning Pointe	75 South Milford Drive, Franklin, IN 46131
46	Sanctuary at Tuttle Crossing	4880 Tuttle Road, Dublin, OH 43017

List of Healthcare Providers Referenced in Paragraph D regarding “Covered Conduct.”

	HCP Name
1	Methodist Mansfield Hospital and Internal Medicine Department
2	Dr. Tonyka James (Fort Wort TX, Innovative Foot, and Ankle Surgical Associate)
3	Dr. Alazar, Ridgeview Rehabilitation and Skilled Nursing
4	Dr. Prabha Mohan (Kaufman, TX)
5	Dr. Ann Broadnax (Questcare Flower Mound)
6	Dr. Carl Horton (Cleburne, TX)
7	Dr. Christian Moncrief (Wichita Fall, TX)
8	Dr. David Liao (Greenville, TX; Elm Street FPC clinic)
9	Dr. Jerry Davis (Dallas, TX; Methodist Health System)
10	Dr. Joel Mahan (Waco, TX: Elm Street FPC clinic)
11	Dr. Nilda Lopez (Questcare Coppell)
12	Dr. Sida Younus (Houston, TX)
13	Dr. Thomas Carrell (North Richland Hills, TX)
14	LeAnn Gaston, FNP (Medical Clinic Paris, TX)
15	Paris Family Physicians