

## 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); Mercy Hospital Springfield f/k/a St. John's Regional Health Center, and Mercy Clinic Springfield Communities f/k/a/ St. John's Clinic, Inc. (Defendants); and Relator Viran Roger Holden, M.D. (hereafter collectively referred to as the Parties), through their authorized representatives.

### RECITALS

A. Defendant Mercy Hospital Springfield (Mercy Hospital) owns and operates a hospital located at 1235 E. Cherokee in Springfield, Missouri. Defendant Mercy Clinic Springfield Communities (Mercy Clinic) owns and operates medical office facilities in Springfield and other locations in Missouri. Both Mercy Hospital and Mercy Clinic are hereafter referred to collectively as Defendants.

B. On June 29, 2015, Relator Viran Roger Holden, M.D. (Relator), filed a *qui tam* action in the United States District Court for the Western District of Missouri captioned *United States ex rel. Viran Roger Holden v. Mercy Hospital Springfield f/k/a St. John's Regional Health Center and Mercy Clinic Springfield Communities f/k/a/ St. John's Clinic, Inc.*, No. 15-03283-DGK, pursuant to the *qui tam* provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the Civil Action). In Relator's complaint, he alleged that Defendants' financial relationships with certain of their employed physicians violated the Stark Law, 42 U.S.C. § 1395nn, and the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b)(2), and consequently that Defendants filed false claims with the Medicare Program for the payment of services referred to the Defendants by those physicians.

C. The United States contends that between February 1, 2009 and June 30, 2014, the Defendants' financial relationships with certain physicians employed by the Clinic (the Clinic Physicians) violated the Stark Law. Specifically, the United States contends that the Clinic improperly compensated the Clinic Physicians in a manner that improperly took into account the volume and value of the physicians' referrals of patients to Mercy Hospital's Mercy Oncology Infusion Center – Chub O'Reilly Cancer Center (the Infusion Center), for certain infusion services. The Clinic Physicians and the time periods at issue are identified in Attachment A to this Agreement. The United States further contends that, because of the Stark Law violations, the Defendants violated the False Claims Act by submitting, or causing to be submitted, false claims to Medicare for infusion services rendered to patients who were referred by the Clinic Physicians to the Infusion Center for the infusion services. The United States contends that it has certain civil claims against the Defendants arising from this conduct, which is referred to below as the Covered Conduct.

D. This Settlement Agreement is neither an admission of liability by Defendants nor a concession by the United States that its claims are not well founded. Defendants expressly deny the allegations of the United States and the Relator set forth herein and in the Civil Action.

E. Relator claims entitlement under 31 U.S.C. § 3730(d) to a share of the proceeds of this Settlement 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. Defendants shall pay to the United States Thirty-Four Million Dollars (\$34,000,000.00) (Settlement Amount) no later than ten days after the Effective Date of this

Agreement by electronic funds transfer pursuant to written instructions to be provided by Office of the United States Attorney for the Western District of Missouri.

2. Conditioned upon the United States receiving the Settlement Amount from Defendants and as soon as feasible after receipt, the United States shall pay Five Million Four Hundred Forty Thousand Dollars (\$5,440,000.00) to Relator by electronic funds transfer.

3. Defendants shall pay \$45,781.45 to Relator for his reasonable attorney's fees and costs, pursuant to 31 U.S.C. § 3730(d)(1), no later than ten days after the Effective Date of this agreement.

4. Subject to the exceptions in Paragraph 7 (concerning excluded claims) below, and conditioned upon Defendants' full payment of the Settlement Amount, the United States releases Defendants together with their current and former parent corporations; subsidiaries; affiliates; brother and sister corporations; and the successors and assignees of any of them (collectively, Defendant Releasees) 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; the civil monetary provisions of the Stark Law at 42 U.S.C. § 1395nn(g)(3) and (4); or the common law theories of payment by mistake, unjust enrichment, and fraud.

5. In consideration of the obligations of the Defendants in this Agreement and the Corporate Integrity Agreement (CIA), entered into between OIG-HHS and Mercy Hospital Springfield, Mercy Clinic Springfield Communities, and MHM Support Services and conditioned upon Defendants' full payment of the Settlement Amount, the OIG-HHS agrees to 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 Mercy Hospital Springfield and Mercy Clinic Springfield

