

## Tenet Healthcare Settlement Agreement

### SETTLEMENT AGREEMENT

#### I. PARTIES

This Settlement Agreement ("Agreement") is entered into between 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"); the 106 hospitals listed in Exhibit 1 hereto (referred to herein individually as a "Settling Hospital" and collectively as the "Settling Hospitals"); Tenet Healthcare Corporation, Tenet HealthSystem Holdings, Inc., Tenet HealthSystem Medical, Inc., AMISUB (North Ridge Hospital), Inc., d/b/a North Ridge Medical Center (collectively "the Tenet Entities") and Sal Barbera (the "relator").

#### II. PREAMBLE

As a preamble to this Agreement, the Parties agree to the following:

A. Each Settling Hospital, during part of the time period January 1, 1990 to the present, was operated by wholly-owned subsidiaries of Tenet Healthcare Corporation, a Nevada Corporation, the headquarters of which is located in Santa Barbara, California. The Settling Hospitals are divided into Tier I, comprising a total of 15 hospitals, and Tier II, comprising a total of 91 hospitals.

B. AMISUB (North Ridge Hospital), Inc., d/b/a North Ridge Medical Center ("North Ridge") is a wholly-owned subsidiary of Tenet HealthSystem Medical, Inc., which is a wholly-owned subsidiary of Tenet HealthSystem Holdings, Inc., which is a wholly-owned subsidiary of Tenet Healthcare Corporation. North Ridge is an acute care hospital located in Fort Lauderdale, Florida.

C. The relator is an individual resident of the State of Florida. From January 1996 through July 1996 the relator was Chief Executive Officer of National Physician Services II, Inc., d/b/a Tenet Physician Services for the Florida Region. In this position, the relator was responsible, among other things, for managing the practices of the physicians employed by North Ridge. On May 13, 1997, the relator filed a qui tam action in the United States District Court for the Southern District of Florida captioned United States ex rel. Barbera v. Tenet Healthcare Corporation (hereinafter "the Civil Action"). After an investigation, the United States intervened in part on February 16, 2001 and filed the United States' Complaint on June 21, 2001. On July 26, 2001 the relator filed his First Amended Complaint, on December 20, 2001 the United States filed its First Amended Complaint, and on December 21, 2001 the relator filed his Second Amended Complaint.

D. Each Settling Hospital and North Ridge submitted or caused to be submitted claims for payment to the Medicare Program ("Medicare"), Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg (1997).

E. Under the Prospective Payment System ("PPS"), payment to a PPS hospital is determined upon the discharge of the patient by the particular DRG assigned to the patient. Because payment under PPS is made upon a discharge basis, when a PPS hospital transfers, rather than discharges, a patient to another PPS hospital, the transferring hospital generally is entitled to a graduated per diem rate equal to twice the per diem for the

first day and the per diem amount for each subsequent day, up to the full DRG payment. 42 C.F.R. § 412.4. The transferee hospital is entitled to a PPS payment determined by the DRG. 42 C.F.R. Part 412.

F. The Medicare program relies upon each Settling Hospital to properly indicate the correct status upon transfer or discharge of a Medicare patient. The Settling Hospitals were paid under PPS for patients who were discharged from the Settling Hospitals.

G. The United States conducted an investigation, as part of a national initiative, into payment of claims submitted to Medicare by the Settling Hospitals for transfers of Medicare patients. H. The United States contends that the Settling Hospitals improperly billed Medicare by representing that certain inpatients had been discharged when, in fact, the patients were transferred to another PPS hospital. The United States contends that certain of the claims billed as inpatient "discharges" should have been reimbursed as inpatient "transfers." The United States contends that from January 1, 1992 through December 31, 2000, the Settling Hospitals received a higher reimbursement for inpatient transfers that were incorrectly billed as discharges (hereinafter referred to as the "PPS Covered Conduct"). The United States further contends that the PPS Covered Conduct gives rise to certain civil claims against the Settling Hospitals under the False Claims Act, 31 U.S.C. §§ 3729-3733,!

and other federal statutes and/or common law doctrines, as set forth in Section III, Paragraph 2.

I. The United States, and relator as to subparagraph (5), contend that they have certain civil claims against the Tenet Entities, for engaging in the following conduct (hereinafter referred to as the "North Ridge Covered Conduct").

(1) In 1993 and 1994 North Ridge entered into contracts with certain employee physicians. As set forth in the United States' First Amended Complaint at paragraphs 71-94 and 111-126, the contracts between ten of these physicians and North Ridge were improper financial relationships under the Physician Self-Referral Statute, 42 U.S.C. § 1395nn ("Stark Law").

(2) As set forth in the United States' First Amended Complaint at paragraphs 127-128, from 1993 through 2000 the financial relationship between North Ridge and one of its Medical Directors ("the Medical Director") was improper under the Stark Law.

(3) As set forth in the United States' First Amended Complaint at paragraphs 86, 93, 116, 125 and 127, at various times from 1993 through 2000 North Ridge submitted Medicare claims for services referred by the ten employee physicians and the Medical Director. These claims were false because they were submitted in violation of the Stark Law and, as a result, violated the False Claims Act, 31 U.S.C. §§ 3729-3733.

(4) As set forth in the United States' First Amended Complaint at paragraphs 134-143, in the five hospital cost reports submitted by North Ridge for the fiscal years ending September 30, 1993 through September 30, 1997, North Ridge described various non-reimbursable costs as reimbursable, and therefore received funds from Medicare to which it was not entitled. These claims violated the False Claims Act because the costs were not reimbursable.

(5) As set forth in Relator's Second Amended Complaint, the claims described in subparagraph (3) above were false because North Ridge forfeited the right to bill Medicare for those items and services by paying remuneration to physicians intending that remuneration to induce referrals in violation of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7b(b). As a result, these claims violated the False Claims Act, 31 U.S.C. §§ 3729-3733.

J. The United States also contends that it has certain administrative claims against the Settling Hospitals and the Tenet Entities under the provisions for permissive exclusion from the Medicare, Medicaid and other Federal health care programs, 42 U.S.C. § 1320a-7(b), and the provisions

for civil monetary penalties, 42 U.S.C. § 1320a-7a, for the PPS Covered Conduct and the North Ridge Covered Conduct.

K. This Agreement is neither an admission of liability by the Settling Hospitals or the Tenet Entities nor a concession by the United States that its claims are not well founded. In fact, the Settling Hospitals and the Tenet Entities specifically deny the contentions of the United States set out in paragraphs H, I and J.

L. To avoid the delay, uncertainty, inconvenience and expense of protracted litigation of these claims, the Parties reach a full and final settlement as set forth below.

### III. TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual promises, covenants, and obligations set forth below, and for good and valuable consideration as stated herein, the Parties agree as follows:

1. The Settling Hospitals, jointly and severally, agree to pay to the United States a total of \$8,250,000.00 (the "PPS Settlement Amount"), which is immediately due and owing as of the Effective Date of this Agreement as follows: The Settling Hospitals agree to make payment of the PPS Settlement Amount in a single payment by electronic funds transfer pursuant to written instructions to be provided by Lisa Bullock, Paralegal Specialist, United States Attorney's Office, Southern District of Mississippi, (601) 965-4480. The Settling Hospitals agree to make the electronic funds transfer within fourteen (14) days after the Effective Date of this Settlement Agreement and receipt of written electronic funds transfer instructions, whichever occurs last.

2. Subject to the exceptions in Paragraphs 4 and 10 below, in consideration of the obligations of the Settling Hospitals set forth in this Agreement, conditioned upon the Settling Hospitals' payment in full of the PPS Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment under this agreement), the United States (on behalf of itself, its officers, agents, agencies and departments):

a. Agrees to fully and finally release the 15 Tier I Settling Hospitals together with their current and former parent corporations, each of their direct and indirect subsidiaries, brother or sister corporations, divisions, and the successors and assigns of any of them, from any civil or administrative monetary claim the United States has or may have for the PPS 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; and/or the common law theories of payment by mistake, unjust enrichment, recoupment, restitution, fraud, conversion, breach of contract, or disgorgement of illegal profits; and

b. Agrees to release the remaining 91 Tier II Settling Hospitals together with their current and former parent corporations, each of its direct and indirect subsidiaries, brother or sister corporations, divisions, and the successors and assigns of any of them, from any civil or administrative monetary claim the United States has or may have for the PPS Covered Conduct under the common law theories of payment by mistake, unjust enrichment, recoupment, restitution, fraud, conversion, breach of contract, or disgorgement of illegal profits.

3. Except as provided in Paragraph 4 below, each Settling Hospital together with each of its current and former parent corporations, each of its direct and indirect subsidiaries, brother or sister corporations, divisions, and the successors and assigns of any of them, fully and finally release the United States, its agencies, officers, agents, employees, and contractors (and their employees) from any and all claims, causes of action, adjustments, and set-offs of any kind which the Settling Hospitals could have asserted, or may assert in the future, against the United States, its agencies, officers, agents, employees, and contractors (and their employees) arising out of or pertaining to the PPS Covered Conduct, including the investigation of the PPS Covered Conduct, the Settlement thereof, and this

Agreement.

4.                   OIG-HHS expressly reserves all rights to institute, direct, or to maintain any administrative action seeking exclusion from Medicare, Medicaid, or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) under 42 U.S.C. § 1320a-7a (Civil Monetary Penalties Law), 42 U.S.C. § 1320a-7(a) (mandatory exclusion), or 42 U.S.C. § 1320a-7(b) (permissive exclusion), against each of the Settling Hospitals, and each of its direct and indirect subsidiaries, brother or sister corporations, divisions, current or former officers, directors, and the successors and assigns of any of them, based upon the PPS Covered Conduct. The Settling Hospitals do not waive and expressly reserve the right to pursue any and all defenses that the Settling Hospitals may have, by statute, common law, or otherwise, against the United States, and its agencies resulting from the United States' pursuit of administrative action seeking exclusion against the Settling Hospitals as a result of !

or related to the PPS Covered Conduct, and the Settling Hospitals expressly reserve the right to pursue all claims in direct response to such administrative action, if any.

5.                   The Tenet Entities agree to pay to the United States \$22,500,000.00, plus interest at a rate of \$2,774.00 per day (4.5%) for every day from January 5, 2004 to the date on which payment is made, (the "North Ridge Settlement Amount"), which amount shall be immediately due and owing and payable as described below.

6.                   The United States agrees to pay twenty-three percent (23%) of the North Ridge Settlement Amount (\$5,175,000 plus interest) to the relator as his relator's share under 31 U.S.C. § 3730(d), payable as described below. The Tenet Entities agree to pay relator his expenses and attorney's fees and costs, the amount thereof to be agreed upon or determined by the United States District Court for the Southern District of Florida. The Tenet Entities further agree that the United States District Court for the Southern District of Florida shall retain jurisdiction over the issue of relator's expenses, attorney's fees and costs following the execution of this agreement. The foregoing payments shall be made as follows:

a.                   The Tenet Entities agree to pay the full North Ridge Settlement Amount to the United States by electronic funds transfer pursuant to written instructions to be provided by the Department of Justice, Civil Division, Fraud Section. The Tenet Entities agree to make the electronic funds transfer within fourteen (14) days after the Effective Date of this Settlement Agreement and receipt of written electronic funds transfer instructions, whichever occurs last.

b.                   Contingent upon the United States receiving the North Ridge Settlement Amount from the Tenet Entities, and as soon as feasible after receipt, the United States agrees to pay twenty three percent (23%) of the North Ridge Settlement Amount to relator by electronic funds transfer.

7.                   Subject to the exceptions in Paragraph 10 below, in consideration of the obligations of the Tenet Entities in this Agreement, conditioned upon the Tenet Entities' full payment of the North Ridge Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or any payment under this Agreement), the United States (on behalf of itself, its officers, agents, agencies, and departments) consistent with the terms of this agreement:

a.                   Agrees to release Tenet Healthcare Corporation, Tenet HealthSystem Holdings, Inc., Tenet HealthSystem Medical, Inc. and AMISUB (North Ridge Hospital), Inc., d/b/a North Ridge Medical Center, together with their current and former parent corporations, each of their direct and indirect subsidiaries, brother or sister corporations, divisions, and the predecessors, successors and assigns of any of them, from any civil or administrative monetary claim the United States has or may have for the North Ridge 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 penalties provisions of the Stark Law, 42 U.S.C. § 1395nn(g)(3), (4); or the common law theories of payment by mistake, unjust enrichment, fraud, recoupment and disgorgement of illegal profits.

b. Agrees to dismiss with prejudice all claims in the United States' First Amended Complaint, filed on December 20, 2001, consistent with the terms of this agreement.

c. Agrees to dismiss with prejudice as to the United States all claims in the Relator's Second Amended Complaint except for those claims set forth at ¶¶ 136-160 which are dismissed without prejudice as to the United States.

8. Subject to the exceptions in Paragraph 10 below, in consideration of the obligations of the Tenet Entities in this Agreement, conditioned upon the Tenet Entities' full payment of the North Ridge Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or of any payment under this Agreement), relator, for himself and for his heirs, successors, attorneys, agents, and assigns, agrees to dismiss with prejudice all claims set forth in relator's Second Amended Complaint, filed on December 21, 2001.

9. In consideration of the obligations of the Tenet Entities in this Agreement and the Corporate Integrity Agreement ("CIA") between the Tenet Entities and OIG-HHS which is incorporated by reference herein, and conditioned upon the Tenet Entities' full payment of the North Ridge Settlement Amount, and subject to Paragraph 20 below (concerning bankruptcy proceedings commenced within 91 days of the Effective Date of this Agreement or of any payment under this Agreement), 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 the Tenet Entities 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 North Ridge Covered Conduct, except as reserved in Paragraph 10 below, and as reserved!

ed in this Paragraph. The OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude the Tenet Entities from Medicare, Medicaid, and other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the North Ridge 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 10, below.

10. Notwithstanding any term of this Agreement, specifically reserved and excluded from the scope and terms of this Agreement as to any entity or person (including the Settling Hospitals, the Tenet Entities, the relator, and their current and former parent corporations, each of their direct and indirect subsidiaries, brother or sister corporations, divisions, current or former officers, directors, and the predecessors, successors, heirs, attorneys, agents and assigns of any of them) are any and all of the following:

a. Any civil, criminal or administrative claims arising under Title 26, U.S. Code (commonly referred to as the Internal Revenue Code);

b. Any criminal liability;

c. Except as explicitly stated in this Agreement, any administrative liability, including mandatory exclusion from Federal health care programs;

d. Any liability to the United States (or its agencies) for any conduct other than the PPS Covered Conduct or the North Ridge Covered Conduct;

e. Any claims based upon such

obligations as are created by execution of this Agreement;

f. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

g. Any liability for failure to deliver goods or services due; and

h. Any civil or administrative claims against individuals, (including current or former directors, officers, employees, agents, or shareholders of the Settling Hospitals, the Tenet Entities, or any other entity);

11. Conditioned upon receipt of the payment described in Paragraph 6, the relator, for himself and for his heirs, successors, attorneys, agents, and assigns, agrees to release the United States, its officers, agents, and employees, from any claims arising from or relating to 31 U.S.C. § 3730 in connection with the Civil Action, or arising from the filing of the Civil Action, including 31 U.S.C. §§ 3730(b), (c), (c)(5), (d), and (d)(1) in connection with this Civil Action. The relator agrees and confirms that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B).

12. The Tenet Entities have entered into a CIA with OIG-HHS, attached as Exhibit 2, which is incorporated into this Agreement by reference. The Tenet Entities shall immediately upon execution of the CIA implement their obligations as set forth under the CIA.

13. Each of the Settling Hospitals and the Tenet Entities, and each of their direct and indirect subsidiaries, brother or sister corporations, divisions, the successors and assigns of any of them waives and will not assert any defenses it may have to any criminal prosecution or administrative action relating to the PPS Covered Conduct or the North Ridge Covered Conduct, which defenses 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. Each of the Settling Hospitals, the Tenet Entities and each of their direct and indirect subsidiaries, brother or sister corporations, divisions, the successors and assigns of any of them agrees that this Agreement is not punitive in purpose or effect. Nothing in this Paragraph or any other part

of this Agreement constitutes an agreement by the United States concerning the characterization of the PPS Settlement Amount or the North Ridge Settlement Amount for purposes of the Internal Revenue Laws, Title 26 of the United States Code.

14. The Tenet Entities fully and finally release the United States, its agencies, employees, servants, and agents from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which the Tenet Entities have asserted, could have asserted, or may assert in the future against the United States, its agencies, employees, servants, and agents, related to the North Ridge Covered Conduct and the United States' investigation and prosecution thereof.

15. The Amounts that the Settling Hospitals or the Tenet Entities must pay pursuant to this Agreement by electronic wire transfer pursuant to Paragraphs 1 and 5 above, shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare carrier or fiscal intermediary or any State payor related to the PPS Covered Conduct or the North Ridge Covered Conduct; and the Tenet Entities and the Settling Hospitals agree not to resubmit to any Medicare carrier or fiscal intermediary or any State payor any previously denied claims related to the PPS Covered Conduct or the North Ridge Covered Conduct, and agree not to appeal any such denials of claims.

16. The Settling Hospitals and the Tenet Entities agree to the following:

a. Unallowable Costs Defined: That 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. §§ 1395-1395ggg and 1396-1396v, and the regulations and official program directives promulgated thereunder) incurred by or on behalf of the Settling Hospitals or the Tenet Entities, or their current and former parent corporations, each of their direct and indirect subsidiaries, division, affiliates, brother and sister corporations, predecessors, successors and assigns, along with the current and former employees, officers and directors of any of them, in connection with the following are unallowable costs on government contracts and under the Medicare Program, Medicaid Program, TRICARE Program, Veterans Affairs Program ("VA"), and FEHBP (Federal Employee Health Benefits Program):

- (1) the matters covered by this Agreement,
- (2) the Government's audit(s), civil investigation(s) and litigation of the matters covered by this Agreement,
- (3) the Settling Hospitals' or the Tenet Entities' investigation, defense, and corrective actions undertaken in response to the Government's audit(s), civil investigation(s) and litigation in connection with the matters covered by this Agreement (including attorneys' fees),
- (4) the negotiation and performance of the Settlement Agreement, and
- (5) the payments made pursuant or ancillary to this Settlement Agreement, including any costs and attorneys' fees,
- (6) the negotiation of, and obligations undertaken pursuant to the CIA to:
  - (i) Retain independent review organizations to perform annual reviews as described in Section III.E. of the CIA; and
  - (ii) prepare and

submit reports to the OIG-HHS.

However, nothing in this Paragraph 16.a.(6) that may apply to the obligations undertaken pursuant to the CIA affects the status of costs that are not allowable based on any other authority applicable to the Settling Hospitals or the Tenet Entities. (All costs described or set forth in this Paragraph 16.a. are hereafter, "unallowable costs").

b. Future Treatment of Unallowable Costs:  
These unallowable costs shall be separately determined and accounted for in non-reimbursable cost centers by the Settling Hospitals and the Tenet Entities, and the Settling Hospitals and the Tenet Entities will 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 Hospitals or the Tenet Entities or any of their current and former parent corporations, each of their direct and indirect subsidiaries, divisions, affiliates, brother and sister corporations, predecessors, successors and assigns, along with the current and former employees, officers and directors of any of them to the Medicare, Medicaid, TRICARE, VA or FEHBP programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Settling Hospitals and the Tenet Entities further agree that within 90 days of the Effective Date of this Agreement they shall identify to applicable Medicare and TRICARE fiscal intermediaries, carriers, and/or contractors, and Medicaid, VA 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 report, cost statements, information reports, or payment requests

already submitted by any of the Settling Hospitals or the Tenet Entities or any of their current and former parent corporations, each of their direct and indirect subsidiaries, divisions, affiliates, brother and sister corporations, predecessors, successors and assigns along with the current and former employees, officers and directors of any of them, 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 Hospitals and the Tenet Entities agree that the United States, at a minimum, will be entitled to recoup from each of the Settling Hospitals and the Tenet Entities 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. If any Settling Hospital or the Tenet Entities fail to identify such costs in past filed cost reports in conformity with this Paragraph, the United States may seek an appropriate penalty or other sanction in addition to the recouped amount.

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 Hospitals or the Tenet Entities or any of their current and former parent corporations, each of their direct and indirect subsidiaries, divisions, affiliates, brother and sister corporations, predecessors, successors and assigns, along with the current and former employees, officers and directors of any of them, on the effect of inclusion of unallowable costs (as defined in this Paragraph) on the cost reports, cost statement, or information reports of the Settling Hospitals or any of their current or former parent corporations, each of their direct and indirect subsidiaries, divisions, affiliates, brother and sister corporations, predecessors, successors and assigns, along with the current and former employees, officers and directors of any of them.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine the Settling Hospitals' or the Tenet Entities' books and records to determine that no unallowable costs have been claimed in accordance with the provisions of this Paragraph.

17. This Agreement is intended to be for the benefit of the Parties only (i.e., the United States, the Settling Hospitals, the Tenet Entities and the relator), including their current and former parent corporations, direct and indirect subsidiaries, predecessors, successors, and assigns, and by this instrument the Parties do not release any claims against any other person or entity.

18. The Settling Hospitals and the Tenet Entities waive and agree that they 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. The Settling Hospitals and the Tenet Entities waive any causes of action against these beneficiaries or their parents, sponsors, legally responsible individuals or any third party payors based upon the claims for payment covered by this Agreement.

19. The Settling Hospitals and the Tenet Entities expressly warrant that they have reviewed their financial situations and that they are currently solvent within the meaning of 11 U.S.C. § 547(b)(3), and 548(a)(1)(B)(ii)(I), and will remain solvent following their payment to the United States hereunder. Further, the Parties expressly warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants and obligations set forth herein constitute a contemporaneous exchange for new value given to the Settling Hospitals and the Tenet Entities, within the meaning of 11 U.S.C. § 547(c)(1), and (b) have concluded that these mutual promises, covenants and obligations do, in fact,

constitute such a contemporaneous exchange. Further, the Parties warrant that the mutual promises, covenants, and obligations set forth herein are intended and do, in fact, represent a reasonably equivalent exchange of value which is not intended to

to hinder, delay, or defraud any entity to which the Settling Hospitals or the Tenet Entities was or became indebted to on or after the date of this transfer, within the meaning of 11 U.S.C. § 548(a)(1). 20. In the event the Settling Hospitals or the Tenet Entities commence, or a third party commences, within 91 days of the Effective Date of this Agreement, or of any payment made hereunder, any case, proceeding, or other action (a) under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have any order for relief of the Settling Hospitals' or the Tenet Entities' debts, or seeking to adjudicate the Settling Hospitals' or the Tenet Entities' as bankrupt or insolvent, or (b) seeking appointment of a receiver, trustee, custodian or other similar official for the Settling Hospitals or the Tenet Entities or for all or any substantial part of the Settling Hospitals' assets or the Tenet Entities' assets, the Settling Hospitals and the T!

Tenet Entities agree as follows:

a. A Settling Hospital's or the Tenet Entities' obligations under this Agreement may not be avoided pursuant to 11 U.S.C. §§ 547 or 548, and the Settling Hospitals and/or the Tenet Entities will not argue or otherwise take the position in any such case, proceeding or action that: (i) the Settling Hospitals' and/or the Tenet Entities' obligations under this Agreement may be avoided under 11 U.S.C. § 547 or 548; (ii) the Settling Hospitals and/or the Tenet Entities were insolvent at the time this Agreement was entered into, or became insolvent as a result of the payment made to the United States hereunder; or (iii) the mutual promises, covenants and obligations set forth in this Agreement do not constitute a contemporaneous exchange for new value given to the Settling Hospitals and/or the Tenet Entities.

b. If a Settling Hospital's or the Tenet Entities' obligations under this Agreement are avoided for any reason, including, but not limited to, through the exercise of a trustee's avoidance powers under the Bankruptcy Code, the United States, at its sole option, may rescind the releases in this Agreement, and bring any civil and/or administrative claim, action, or proceeding against the Settling Hospitals or the Tenet Entities for the claims that would otherwise be covered by the releases provided in Paragraphs 2, 7, and 9 above. The Settling Hospitals and the Tenet Entities agree that (i) any such claims, actions, or proceedings brought by the United States (including any proceedings to exclude the Settling Hospitals or the Tenet Entities from participation in Medicare, Medicaid, or other Federal health care programs) are not subject to an "automatic stay" pursuant to 11 U.S.C. § 362(a) as a result of the action, case, or proceeding described in the first clause of this P!

Paragraph, and that the Settling Hospitals and the Tenet Entities will not argue or otherwise contend that the United States' claims, actions, or proceedings are subject to an automatic stay; (ii) the Settling Hospitals and the Tenet Entities will 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 claims, actions, or proceeding which are brought by the United States within ninety (90) calendar days of written notification to the Settling Hospitals or the Tenet Entities that the releases have been rescinded pursuant to this Paragraph, except to the extent such defenses were available on the date of execution of this agreement; and (iii) the United States has a valid claim against the Settling Hospitals in the amount of \$8,250,000.00 for the PPS Covered Conduct and a valid claim against the Tenet Entities in the amount of \$54,000,000.00 for the North Ridge Co!

Covered Conduct, and the United States may pursue its claims in the case, action, or proceeding referenced in the first clause of this Paragraph, as

well as in any other case, action, or proceeding.

c. The Settling Hospitals and the Tenet Entities acknowledge that their agreements in this Paragraph are provided in exchange for valuable consideration provided in this Agreement.

21. Except as expressly provided to the contrary in this Agreement, each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

22. The Settling Hospitals and the Tenet Entities represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever and they have been advised with respect hereto by counsel prior to entering into this Settlement Agreement.

23. The relator represents that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever and he has been advised with respect hereto by counsel prior to entering into this Settlement Agreement.

24. This Agreement is governed by the laws of the United States. The United States and the Settling Hospitals agree that the exclusive jurisdiction and venue for any dispute arising between the United States and the Settling Hospitals under this Agreement will be the United States District Court for the Southern District of Mississippi. The United States, the Tenet Entities and the relator agree that the exclusive jurisdiction and venue for any dispute arising between or among the United States, the Tenet Entities and the relator will be the United States District Court for the Southern District of Florida. Notwithstanding the terms of this Paragraph, disputes arising under the CIA shall be resolved exclusively under the dispute resolution provisions in the CIA.

25. This Agreement and the CIA between the Tenet Entities and OIG-HHS constitute the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties, except that only OIG-HHS and the Tenet Entities must agree in writing to modification of the CIA.

26. Upon the Effective Date of this Agreement, the United States and the relator shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to the terms of this Agreement and contingent upon receipt by the United States from the Tenet Entities of the payment described in Paragraph 5.

27. The individuals signing this Agreement on behalf of the Settling Hospitals represent and warrant that they are authorized by the Settling Hospitals to execute this Agreement. The individuals signing this Agreement on behalf of the Tenet Entities represent and warrant that they are authorized by the Tenet Entities to execute this Agreement. The individual signing this Agreement on behalf of the relator represents and warrants that he is authorized by the relator to execute this Agreement. The United States signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement.

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

29. This Agreement is binding on the Settling Hospitals', the Tenet Entities' and the relator's successors, transferees, heirs and assigns.

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

31. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date"). Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

IN WITNESS WHEREOF, the parties hereto affix their signatures:  
FOR THE UNITED STATES OF

AMERICA

DATED:

\_\_\_\_\_

Attorney  
of Mississippi

DATED:

\_\_\_\_\_

States Attorney  
Division  
of Mississippi

DATED:

\_\_\_\_\_

Litigation Branch  
United States Department of Justice

DATED:

\_\_\_\_\_

Assistant Inspector General for Legal Affairs  
Inspector General  
Department of  
Human Services

BY:

DUNN LAMPTON  
United States  
Southern District

BY:

ROBERT G. ANDERSON  
Assistant United  
Chief, Civil  
Southern District

BY:

DAVID B. WISEMAN  
Trial Attorney  
Commercial  
Civil Division

BY:

LARRY J. GOLDBERG  
Office of  
United States  
Health and

FOR THE SETTLING HOSPITALS

DATED:  
DOUGLAS E. RABE  
and Assistant  
each of  
Hospitals  
identified in Exhibit 1)

BY:  
Vice President  
Treasurer for  
the Settling  
(which are

FOR TENET HEALTHCARE CORPORATION, TENET HEALTHSYSTEM HOLDINGS, INC., TENET  
HEALTHSYSTEM MEDICAL, INC. AND AMISUB (NORTH RIDGE HOSPITAL), INC., D/B/A  
NORTH RIDGE MEDICAL CENTER

DATED:  
\_\_\_\_\_  
MYLA REIZEN  
Special Counsel  
Corporation

BY:  
Tenet Healthcare

DATED:  
\_\_\_\_\_  
ROGER GOLDMAN  
NW  
20004

BY:  
LATHAM & WATKINS  
555 11th Street,  
Washington, D.C.

Counsel for Tenet Healthcare Corporation, Tenet HealthSystem Holdings, Inc.,  
Tenet HealthSystem Medical, Inc. and AMISUB (North Ridge Hospital), Inc.,  
d/b/a North Ridge Medical Center

FOR THE RELATOR

DATED:  
\_\_\_\_\_

BY:  
SAL A. BARBERA

DATED:  
\_\_\_\_\_

BY:  
GARY E. SHERMAN  
Counsel for Sal

A. Barbera