

SETTLEMENT AGREEMENT AND RELEASE

I. PARTIES

This Settlement Agreement and Release ("Agreement") is entered into by and among (1) the United States of America ("United States"), acting through the United States Department of Justice and the United States Attorney's Office for the Western District of Washington, and on behalf of the United States Department of Health and Human Services ("HHS"), Office of Inspector General ("OIG-HHS"), the TRICARE Management Activity ("TMA", formerly referred to as the "Office of CHAMPUS"), through its General Counsel (collectively, the "United States"), and the State of Washington acting through the Medicaid Fraud Control Unit and on behalf of the Department of Social and Health Services ("DSHS") (collectively referred to as "the Releasing Parties"); and (2) the Association of University Physicians d/b/a University of Washington Physicians ("UWP"), and the Association of CHMC and University Physicians d/b/a Children's University Medical Group ("CUMG") (collectively referred to as the "UW FPPs"); and (3) Mark Erickson ("Relator"). All of the above will be referenced to collectively as "the Parties."

II. PREAMBLE

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

A. The Medicare program ("Medicare"), which was established by Title XVIII of the Social Security Act, 42 U.S.C. §§ 1395-1395ggg, allows under Part A, for partial payment of the salaries of medical residents and reimbursement for certain teaching or supervisory activities of the faculty physicians provided to these residents, and under Part B, for

reimbursement of professional services provided by the faculty physicians.

B. The TRICARE program ("TRICARE", formerly referred to as "CHAMPUS") established by chapter 55, Title 10, United States Code (10 U.S.C. §§ 1071-1110), allows under 32 C.F.R. 199.4(c)(3)(xiii) a teaching physician who has established an attending physician relationship to be reimbursed under prescribed circumstances for professional services provided by a hospital intern or resident, and a hospital, under 32 C.F.R. 199.14(a)(1)(iii)(G), can request reimbursement for its actual direct medical education costs for a teaching program approved under Medicare.

C. The Washington State Medicaid program ("Medicaid") established by Title XIX of the Social Security Act, 42 U.S.C. §§ 1396-1396v, has certain policies and proposed regulations allowing a teaching physician to be reimbursed for certain professional services accomplished under prescribed circumstances by interns and residents subject to appropriate professional oversight. DSHS administers the Washington State Medicaid program.

D. The UW FPPs are non-profit corporations organized under the laws of the State of Washington that serve the physician faculty practices of the academic medical departments of the University of Washington ("UW"). During the period covered by this Agreement, the UW FPPs employed and billed for the professional services of faculty physicians and ancillary providers.

E. A *qui tam* action, styled *United States ex rel. Mark Erickson v. Association of University Physicians, University of Washington Physicians, and Children's University Medical Group*, Case No. C99-1261R (the "Civil Action") was filed by Relator on August 3,

1999, in the United States District Court for the Western District of Washington, pursuant to the provisions of 31 U.S.C. §§ 3729 and 3730, alleging *inter alia* that the UW FPPs improperly billed Medicare, Medicaid and TRICARE for services provided by medical residents when the faculty physicians were not present when the services were provided, and otherwise billed for services when coding, billing, or reimbursement requirements of the respective programs were not satisfied.

F. The UW FPPs employ faculty physicians who supervise medical residents and who render patient care and on whose behalf claims for professional services are submitted.

G. At all relevant times herein, the UW FPPs submitted claims for reimbursement, or caused claims for reimbursement to be submitted, to Medicare, Medicaid and TRICARE for medical services.

H. The United States contends that it has certain civil claims against the UW FPPs under the False Claims Act, 31 U.S.C. §§ 3729-3733, the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812, the Civil Monetary Penalties Law, 42 U.S.C. 1320a-7a, and under the common law arising out of the following conduct during the period January 1, 1995, through December 31, 2003 (hereinafter referred to as the "Covered Conduct"): (1) the conduct alleged in the complaint in the Civil Action; (2) the submission of claims to Medicare, Medicaid, and/or TRICARE for professional services by, or on behalf of, the physician faculty and other health care providers of the UW, when the UW FPPs do not possess or cannot produce sufficient documentary evidence to show that the providers who either billed for those services or on whose behalf those services were billed, were involved in the performance of those services to the

extent required by the applicable program in order to bill; and (3) the submission of claims to the Medicare, Medicaid, and/or TRICARE programs for professional services by, or on behalf of, physician faculty and other health care providers of the UW for services that did not comply with applicable coding, billing or reimbursement requirements of the respective programs.

I. The United States also contends that it has certain administrative claims, as specified in Paragraphs 5 through 7, below, against the UW FPPs for engaging in the Covered Conduct.

J. DSHS contends that it has certain civil and administrative claims against the UW FPPs under Washington State statutes, including without limitation RCW 74.09.210, other relevant regulations, and common law doctrines for the Covered Conduct.

K. Relator contends that he has certain civil claims and monetary causes of action against the UW FPPs under 31 U.S.C. § 3730, as set forth in the complaint in the Civil Action.

L. The UW FPPs deny the contentions of the United States, DSHS, and the Relator as set forth in Paragraphs E, H, I, J and K above, and deny that they have any liability relating to these contentions and allegations. The Parties agree that no provision of this Agreement or any consideration exchanged pursuant to this Agreement constitutes an admission by the UW FPPs that they engaged in, or violated any law in connection with, the Covered Conduct. The Parties further agree that by entering into this Agreement, the UW FPPs are not waiving for purposes of any other case or controversy any defenses that may be available to them under the FCA or under the Eleventh Amendment to the United States Constitution.

M. By entering into this Agreement, the United States is not conceding that its claims are not well-founded.

N. To avoid the expense, burden, and uncertainty of litigation, the Parties have agreed to settle the Civil Action.

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 UW FPPs agree to pay the total sum of thirty five million dollars and no/00 (\$35,000,000.00) (hereinafter the "Settlement Amount") no later than forty-five (45) days after the Effective Date of this Agreement. The Settlement Amount shall be offset by six hundred thousand dollars and no/00 (\$600,000.00) in restitution previously paid. The Settlement Amount, less the \$600,000.00 previously paid in restitution, shall be paid as set forth below:

a. Thirty two million two hundred and sixty three thousand seven hundred and fifty seven dollars and no/00 (\$32,263,757.00) (hereinafter, the "federal portion of the Settlement Amount") shall be paid to the United States by Fedwire Electronic Funds Transfer ("EFT") to the United States Department of Justice, in accordance with EFT procedures and instructions to be provided to the UW FPPs by the Office of the United States Attorney for the Western District of Washington. To obtain the EFT procedures and instructions, the UW FPPs shall contact the Financial Litigation Unit, United States Attorney's Office for the Western District of Washington. The UW FPPs shall request the instructions at least ten (10) business

days prior to the effectuation of the EFT. The UW FPPs also shall notify the Financial Litigation Unit of the United States Attorney's Office for the Western District of Washington of the anticipated date of the EFT at least five (5) business days prior to the date of the EFT. Any payment made by the UW FPPs shall reference Civil Action Number 99-1261R, assigned to this case, and DOJ Number 46-82-1734. Any funds received after 11:00 a.m. Eastern Standard Time shall be credited on the next business day.

b. Two million one hundred thirty six thousand two hundred and forty three dollars and no/00 (\$2,136,243.00) (hereinafter, the "state portion of the Settlement Amount") shall be paid to the State of Washington, Department of Social and Health Services by check made payable to "DSHS/Office of Financial Recovery" and delivered to the Washington State Medicaid Fraud Control Unit.

2. The UW FPPs shall be jointly and severally liable for the payment obligations described in Paragraph 1 of this Agreement.

3. Contingent upon the United States receiving the Settlement Amount from the UW FPPs, as set forth in Paragraph 1, above, and pursuant to 31 U.S.C. § 3730(d)(1), the United States hereby agrees to pay Relator seven million two hundred and fifty thousand dollars and no/00 (\$7,250,000.00). Within thirty (30) days after the UW FPPs make payment in full in satisfaction of the Settlement Amount, the United States Attorney's Office for the Western District of Washington shall request an EFT be made to the Relator in the amount of \$7,250,000.00. Any and all remittance by the United States to the Relator shall be payable to Phillips & Cohen Client Trust Account.

4. Pursuant to 31 U.S.C. §3730(d), the UW FPPs shall pay Relator reasonable attorneys' fees and costs as the Court may order or as the UW FPPs and the Relator agree.

5. Subject to the exceptions in Paragraph 9, below, in consideration of the obligations of the UW FPPs set forth in this Agreement, and conditioned upon payment in full of the Settlement Amount, the United States (on behalf of itself, its officers, agents, agencies, and departments) releases and discharges the UW FPPs, their respective current and former physician and non-physician employees (insofar as they have acted in their official capacities as employees of the University of Washington ("UW"), UWP or CUMG), members, associates, and volunteers, current and former trustees, directors, officers, and agents, and the UW, the University of Washington Physician Network, Harborview Medical Center, and Children's Hospital and Regional Medical Center of Seattle, Washington (the "Released Parties") from any civil or administrative monetary claims that the United States has or may have under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; or under the common law theories of payment by mistake, unjust enrichment, disgorgement, restitution, recoupment, constructive trust, and fraud, for the Covered Conduct.

6. In consideration of the obligations of the UW FPPs set forth in this Agreement and the Corporate Integrity Agreement ("CIA") attached hereto as Exhibit 1, and conditioned upon fulfillment of the obligations to make payment in full of the Settlement Amount set forth in Paragraph 1, above, OIG-HHS agrees to release and refrain from instituting.

directing, or maintaining any administrative action seeking exclusion from the Medicare, Medicaid, or other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) against the UW FPPs and their respective current and former physician and non-physician employees (insofar as they have acted in their official capacities as employees of the UW FPPs) 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 Paragraph 9 below, and as reserved in this Paragraph. OIG-HHS expressly reserves all rights to comply with any statutory obligations to exclude the UW FPPs and their respective current and former physician and non-physician employees (insofar as they have acted in their official capacities as employees of the UW FPPs) from the Medicare, Medicaid, or other Federal health care programs under 42 U.S.C. § 1320a-7(a) (mandatory exclusion) based upon the Covered Conduct. Nothing in this Paragraph precludes OIG-HHS from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 9, below.

7. In consideration of the obligations of the UW FPPs set forth in this Agreement, and conditioned upon fulfillment of the obligations to make payment in full of the Settlement Amount set forth in Paragraph 1, above, TMA agrees to release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the TRICARE program against the UW FPPs and their respective current and former physician and non-physician employees (insofar as they have acted in their official capacities as employees of the UW FPPs) under 32 C.F.R. § 199.9 for the Covered Conduct, except as reserved Paragraph 9,

below, and as reserved in this Paragraph. TMA expressly reserves authority to exclude the Released Parties from the TRICARE program under 32 C.F.R. §§ 199.9 (f)(1)(i)(A), (f)(1)(i)(B), and (f)(1)(iii), based upon the Covered Conduct. Nothing in this Paragraph precludes the TMA from taking action against entities or persons, or for conduct and practices, for matters outside the scope of this Agreement or for claims that have been reserved in Paragraph 9, below.

8. In consideration of the obligations created by this Agreement and subject to fulfillment of all conditions as set forth herein, DSHS agrees to release and forever discharge the Released Parties from any civil or administrative claims for damages, penalties, or provider termination that DSHS has or may have relating to Medicaid and the Covered Conduct. Nothing in this Paragraph or this Agreement shall preclude DSHS from taking any action against any other entity or persons for the Covered Conduct or any other matters.

9. 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 Released Parties) are any and all of the following:

- a. Any civil, criminal or administrative liability arising under Title 26, United States Code (Internal Revenue Code), and related regulations;
- 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 for any conduct other than the Covered Conduct;
- e. Any medical malpractice claims brought by or on behalf of a

patient who received any of the professional services included in the Covered Conduct;

f. Any liability for claims submitted to any state Medicaid agency other than Washington's; and

g. Any liability based upon such obligations as are created by this Agreement.

10. Simultaneously upon entering into this Agreement, the UW FPPs have entered into a CIA with OIG-HHS, attached as Exhibit 1. The UW FPPs shall immediately upon execution of the CIA implement their obligations under the CIA, in accordance with its terms.

11. In consideration of the payment in full of the amounts set forth in Paragraphs 1 and 4, above, Relator and his attorneys, for themselves and their heirs, successors, and assigns release and discharge any and all claims whatsoever which Relator and/or his attorneys have or may have against the Released Parties including, but not limited to, claims arising under 31 U.S.C. §§ 3729-3733, in connection with or related to the Civil Action, the Covered Conduct and/or Relator's employment with the UW FPPs or any information related thereto. In consideration of the United States' fulfillment of its obligations to make the payments required under Paragraph 3, Relator and his attorneys, for themselves and their heirs, successors, and assigns release and discharge any and all claims whatsoever which Relator has or may have against the United States, its officers, agents, and employees, including, but not limited to, claims arising under 31 U.S.C. § 3730 in connection with or related to the Civil Action and/or the Covered Conduct. 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 Released Parties fully and finally release and discharge the United States, its agencies, officers, agents, employees, servants, and departments, DSHS, and Relator from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) which the Released Parties have asserted, could have asserted, or may assert in the future against the United States, its agencies, officers, agents, employees, servants, and departments, DSHS, and Relator related to the Civil Action or the Covered Conduct and the United States' investigation and prosecution thereof.

13. The Released Parties 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. §§ 1395-1395ggg and 1396-1396v, and the regulations and official program directives promulgated thereunder) incurred by or on behalf of the Released Parties, their present or former officers, directors, employees, shareholders, and/or agents in connection with the following shall be "unallowable costs" on government contracts and under the Medicare Program, Medicaid Program, TRICARE program, Veterans Affairs ("VA") Program, and Federal Employees Health Benefits Program ("FEHBP"):

(1) the matters covered by this Agreement and any related plea agreement(s);

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

(3) the Released Parties' investigation, defense and any corrective

actions undertaken in direct response to the United States' audit(s) and civil and criminal investigation(s) in connection with the matters covered by this Agreement (including attorney's fees);

(4) the negotiation and performance of this Agreement, any plea agreement, and any agreement with Relator for attorney's fees and costs under 31 U.S.C.

§ 3730(d);

(5) the Payments any of the Released Parties make to the United States and the State of Washington pursuant to this Agreement, including costs and attorney's fees, and any payments any of the Released Parties may make to Relator, including costs and attorney's fees; and,

(6) the negotiation of, and obligations undertaken pursuant to, the CIA to:

(i) retain an independent review organization to perform verification of annual reviews as described in Section III.D of the CIA; and

(ii) prepare and submit reports to the OIG-HHS.

However, nothing in this Paragraph affects the status of costs that are not allowable based on any other authority applicable to the Released Parties. (All costs described or set forth in this Paragraph 13.a are hereafter, "unallowable costs").

b. Future Treatment of Unallowable Costs: If applicable, these unallowable costs shall be separately determined and accounted for by the Released Parties in nonreimbursable cost centers and the Released Parties 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 Released Parties or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, VA, or FEHBP programs.

c. Treatment of Unallowable Costs Previously Submitted for

Payment: If applicable, the Released Parties 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 and FEHBP fiscal agents, and to the VA, 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 Released Parties 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 Released Parties agree that the United States, at a minimum, shall be entitled to recoup from the Released Parties any overpayment plus applicable interest and may seek to impose 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 Released Parties or any of their subsidiaries or

affiliates on the effect of inclusion of unallowable costs (as defined in this Paragraph) on the Released Parties' 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 reexamine the Released Parties' books and records to determine that no unallowable costs have been claimed in accordance with the provisions of this Paragraph.

14. The Released Parties waive and shall not assert any defenses they may have to any criminal prosecution or administrative action relating to the 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 of the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action. The Released Parties agree that this Agreement is not punitive in purpose or effect. Nothing in this Paragraph or any other provision of this Agreement constitutes an agreement by the United States concerning the characterization of the Settlement Amount for purposes of the Internal Revenue Laws, Title 26 of the United States Code. The UW FPPs reserve all False Claims Act defenses based on the UW FPPs' contention that they are State-affiliated entities.

15. This Agreement is intended to be for the sole benefit of the Parties hereto and the Released Parties, and by this instrument the Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 16, below.

16. The Released Parties 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.

17. The UW FPPs warrant that they have reviewed their financial situations and that they currently are solvent within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I), and shall remain solvent following their payment to the United States of the Settlement Amount. Further, the Parties warrant that, in evaluating whether to execute this Agreement, they (a) have intended that the mutual promises, covenants, and obligations set forth constitute a contemporaneous exchange for new value given to the Released Parties, within the meaning of 11 U.S.C. § 547(c)(1); and (b) conclude 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 hinder, delay, or defraud any entity to which the Released Parties were or became indebted, on or after the date of this transfer, all within the meaning of 11 U.S.C. § 548(a)(1).

18. In exchange for the valuable consideration provided in this Agreement, the UW FPPs agree that, in addition to any and all other rights and remedies available to the United States to enforce or seek a remedy for non-compliance with the terms of this Agreement, in the event that they fail to fulfill their obligations to make the payments required under Paragraph 1, above, the United States (including all of its agencies and departments) shall hereby have the

right, which the UW FPPs shall not contest in any judicial or administrative forum, unilaterally and without any subsequent Court approval, to withhold or offset any funds, up to the amount of any funds that the UW FPPs have failed to pay to the United States pursuant to Paragraph 1 of this Agreement, that (a) HHS, TMA or DSHS, or any of their divisions or independent contractors, were legally obliged, but for this Agreement, to pay the UW FPPs or (b) HHS, TMA or DSHS, or any of their divisions or independent contractors, would otherwise have paid to any individual or entity for the benefit of the UW FPPs or their members. The Parties agree that any funds withheld or offset by any agency or contractor of the United States pursuant to this Paragraph shall be applied to the outstanding indebtedness and shall immediately become the permanent property of the United States; provided, however, that the United States, within a reasonable time after any withholding or offset pursuant to this Paragraph, shall pay Relator 22.47% of any amount(s) withheld or offset from the federal portion of the Settlement Amount. Furthermore, any rights of withholding or offset granted to agencies of the United States pursuant to this Paragraph are in addition to any other rights provided by law to the United States to enforce the obligations of the UW FPPs to make the payments required under Paragraph 1 of this Agreement.

19. The Settlement Amount that the UW FPPs must pay pursuant to Paragraph 1 of this Agreement shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare, Medicaid or TRICARE carrier or intermediary or any state payer, related to the Covered Conduct and the UW FPPs shall not resubmit to any Medicare, Medicaid or TRICARE carrier or intermediary or any state payer any previously

denied claims related to the Covered Conduct, and shall not appeal any such denials of claims.

20. The Parties represent that this Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.

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

22. This Agreement and the CIA constitute the complete agreement among the Parties with regard to the compromise and settlement of the Covered Conduct. This Agreement may not be amended except by written consent of the Parties, except that only the UW FPPs and OIG-HHS must agree in writing to modification of the CIA.

23. Should any action to enforce or interpret this Agreement or to resolve any dispute hereunder be required, the Parties acknowledge the jurisdiction of the Federal courts and agree that venue for any such action shall be in the United States District Court for the Western District of Washington, except that matters or disputes arising under the CIA shall be resolved exclusively under the dispute resolution provisions in the CIA.

24. Promptly after this Agreement is executed, the United States and Relator shall execute and file a stipulation of dismissal with prejudice of the Civil Action, in the form attached hereto, advising the Court that the United States is intervening in the Civil Action and that, notwithstanding such intervention, all outstanding issues in the Civil Action have been resolved. If for any reason the Court refuses to dismiss the Civil Action, this Agreement will be rendered null and void by any of the Parties upon written notice to all other Parties. In the event

that this Agreement is rendered null and void pursuant to this Paragraph, the United States and/or Relator shall have the right to reinstate the Civil Action. Should the United States and/or Relator reinstate the Civil Action under this Paragraph, the Released Parties expressly agree not to plead, argue or otherwise raise any defenses under the theories of statute of limitations, laches, estoppel or similar theories, to any civil or administrative claims which (a) are filed by the United States and/or Relator within thirty (30) calendar days of written notification to the UW FPPs that this Agreement has been rescinded and (b) relate to the covered Conduct, except to the extent these defenses were available on the Effective Date of this Agreement. Further, in the event this Agreement is rendered null and void pursuant to this Paragraph and the Civil Action is reinstated, the Parties agree that this Agreement and any correspondence related thereto shall not be pleaded, argued, cited or introduced into evidence by any party.

25. The undersigned individuals signing this Agreement on behalf of the UW FPPs represent and warrant that they are authorized to execute this Agreement. The undersigned individuals signing this Agreement on behalf of the United States represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement. The undersigned individuals signing this Agreement on behalf of the State of Washington represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement. The undersigned individuals signing this Agreement on behalf of Relator represent that they are authorized to execute this Agreement.

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


signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

27. All Parties consent to the disclosure of this Agreement, and any non-privileged information about this Agreement, to the public.

28. This Agreement is binding on the Released Parties' and Relator's respective successors, transferees, assigns and heirs.

29. The "Effective Date" of this Agreement shall be the date upon which the Court enters the dismissal of the Civil Action pursuant to Paragraph 24 above.

UNITED STATES OF AMERICA



JOHN MCKAY
United States Attorney
Western District of Washington

Dated: April 30, 2004

PATRICIA L. HANOWER
Trial Attorney
Civil Division
Department of Justice

Dated:

LARRY J. GOLDBERG
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
U.S. Department of Health and Human Services

Dated:

LAUREL C. GILLESPIE
Deputy General Counsel
TRICARE Management Activity
Department of Defense

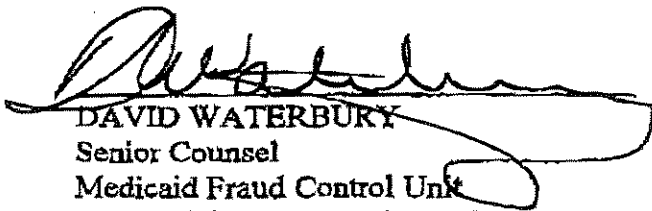
Dated:

STATE OF WASHINGTON



HEIDI ROBBINS-BROWN
Assistant Secretary
Department of Social & Health Services
Medical Assistance Administration

Dated: 4/23/04



DAVID WATERBURY
Senior Counsel
Medicaid Fraud Control Unit
Office of the Attorney General

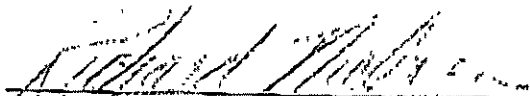
Dated: 04/23/04

DEFENDANTS



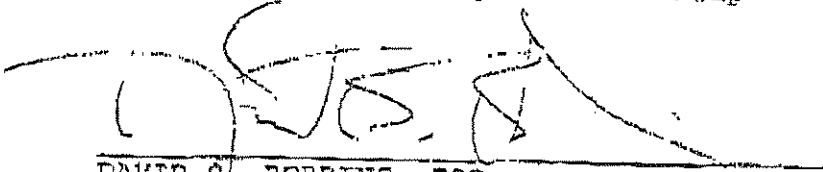
RICK DEESE
Executive Director
University of Washington Physicians

Dated: 4/30/04



RICHARD NIELSEN
Executive Director
Children's University Medical Group

Dated: 4/30/04



DAVID B. ROBBINS, ESQ.
Bennett Bigelow & Laddon, P.S.
Counsel to the University of Washington Physicians
and Children's University Medical Group

Dated: 4/30/04

RELATOR



MARK ERICKSON

Dated: 4/29/2004

STEPHEN L. MEAGHER
Phillips & Cohen
San Francisco, California

Dated: