

## SETTLEMENT AGREEMENT AND GENERAL RELEASE

This Settlement Agreement and General Release ("Agreement") is entered into by and between the State of Florida, Office of the Attorney General, Department of Legal Affairs (the "Attorney General"); Bert Fish Medical Center, Inc., Cape Memorial Hospital, Inc., Halifax Hospital Medical Center, Hendry County Hospital Authority, Holmes County Hospital Corporation, Lee Memorial Health System, North Brevard County Hospital District, North Broward Hospital District, Public Health Trust of Miami-Dade County, Sarasota County Public Hospital District, South Broward Hospital District, The Board of Trustees of Bay Medical Center, and West Orange Healthcare District, on their individual behalves, and on behalf of their respective parent corporations, subsidiaries, affiliates, divisions, related business entities, and its or their present and former shareholders, officers, directors, agents, employees, successors, assigns, and representatives (collectively, the "Public Hospitals"); and Tenet Healthcare Corporation, on its behalf, and on behalf of its parent corporations, subsidiaries, affiliates, divisions, related business entities, and its or their present and former shareholders, officers, directors, agents, employees, successors, assigns, and representatives (collectively, "Tenet"). The Attorney General, the Public Hospitals, and Tenet will be referred to collectively in this Agreement as the "Parties" or, sometimes, individually as a "Party."

### **I. RECITALS**

A. Since on or about June 2003, the Attorney General, through its Florida Medicaid Fraud Control Unit, has been investigating the relationships and agreements between Florida hospitals operated or affiliated with Tenet and physicians, physician assistants, therapists, and management companies at those hospitals (the "Florida Medicaid Investigation"). During its investigation, the Attorney General has subpoenaed numerous records, including loan

agreements and purchase and sale agreements, for the time period of January 1, 1992 through July 1, 2003. The Attorney General has also requested information on the coding practices at these Florida hospitals.

B. Since on or about March 1, 2005, the Attorney General, through its Florida Medicaid Fraud Control Unit, has been investigating the transportation of patients admitted under the Baker Act, and the completion of medical record documentation and forms required by the Baker Act at Florida Medical Center, which is a hospital operated by or affiliated with Tenet (the "FMC Investigation"). The Baker Act is a Florida law that governs the involuntary admission of psychiatric patients.

C. On or about March 2, 2005, the Attorney General and the Public Hospitals commenced an action against Tenet in the United States District Court for the Southern District of Florida styled *State of Florida, Office of the Attorney General, Department of Legal Affairs et al. v. Tenet Healthcare Corporation*, Case No. 05-20591-CIV-SEITZ/MCALILEY (the "Litigation"). In the Litigation, the Attorney General and the Public Hospitals allege that Tenet's practices from 2000 through 2003 relating to its "outlier" claims violated the Federal and Florida versions of the Racketeer Influenced and Corrupt Organizations Act ("RICO") and Florida's Deceptive and Unfair Trade Practices Act ("FDUTPA").

D. The Public Hospitals represent and warrant that they have no claims pending against Tenet in any other court or tribunal and that they have not sold, assigned, transferred, conveyed or otherwise disposed of any of the claims, demands, obligations or causes of action referred to in this Agreement.

E. The Attorney General represents and warrants it has no claims pending against Tenet in any other court or tribunal and it has not disposed of any of the claims, demands,

obligations or causes of action referred to in this Agreement. The Attorney General additionally represents and warrants that it is not currently conducting any investigations of Tenet other than the Florida Medicaid Investigation and the FMC Investigation.

F. The Parties represent and warrant that they are entering into this Agreement after conducting a full and complete independent investigation of all facts and circumstances surrounding the matters that are in dispute and being released and resolved by this Agreement. The Parties further represent and warrant that they have not relied upon the advice, statements, actions, or representations made by any other Party or its respective representatives, agents or attorneys, except as expressly stated in this Agreement.

G. The Parties are entering into this Agreement to fully and finally settle and discharge any and all claims by the Attorney General and the Public Hospitals against Tenet, including, but not limited to any and all known claims for compensatory damages, statutory damages, punitive damages, attorneys' fees, and costs on the terms set forth in this Agreement. The Attorney General and Tenet are entering into this Agreement for the additional reason of fully and finally resolving and terminating any and all ongoing investigations of Tenet by the Attorney General. This Agreement does not modify any preexisting agreement between the Attorney General and Tenet, or between any of the Public Hospitals and Tenet, including but not limited to Tenet's obligations pursuant to the June 26, 2001 Final Special Master's Report, approved by the Court on June 27, 2001 and July 9, 2001, in *State of Florida v. Intracoastal Health Systems, Inc. et al.*, Case No. CL 01-0068 AB (Circuit Court for the Fifteenth Judicial Circuit).

H. The Parties understand and agree that this Agreement is a settlement and compromise of disputed claims. The Parties acknowledge and agree that neither the terms and

conditions of this Agreement, nor the settlement and Payment provided for in General Provision D below, nor the creation and funding of the Uninsured Patient Fund provided for in General Provision E below, shall constitute or be considered (1) an admission of wrongdoing or liability, or (2) an adjudication of any issue of fact or law. The Parties recognize that by entering into this Agreement, Tenet does not admit, and has specifically denied, any and all wrongdoing or liability. This Agreement shall in no way be construed or considered as an admission of liability or wrongdoing in any legal or administrative proceeding. The Parties agree that neither this Agreement nor any related documentation or evidence reflecting or generated to effectuate the intent of this Agreement shall be admissible in evidence against any Party in any suit, claim, or proceeding of any nature, whether legislative, administrative, or judicial, except in an action to enforce or for breach of this Agreement.

## **II. GENERAL PROVISIONS**

The Parties hereby agree as follows:

### **A. *Recitals***

The Recitals set forth above are true and correct, and are a material part of this Agreement.

### **B. *Release and Discharge by the Public Hospitals***

In consideration of the Payment provided for in General Provision D below and the creation of the Uninsured Patient Fund called for in this Agreement, each Public Hospital hereby remises, releases, acquits, satisfies, and forever discharges Tenet of and from all, and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law

or in equity, which each Public Hospital ever had, now has, or which any successor or assign of each Public Hospital, or any party represented by or claiming through each Public Hospital, hereafter can, shall or may have, against Tenet for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the day of these presents, arising out of or in any way relating to those claims raised or that could have been raised in the Litigation. This Agreement, executed by each Public Hospital, shall be a fully binding and complete settlement between the Public Hospitals and Tenet, and all parties represented by or claiming through them.

**C. *Release and Discharge by the Attorney General***

In consideration of the Payment provided for in General Provision D below and the creation of the Uninsured Patient Fund called for in this Agreement, the Attorney General hereby remises, releases, acquits, satisfies, and forever discharges Tenet of and from all, and all manner of civil and administrative actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands whatsoever, in law or in equity, which the Attorney General ever had, now has, or which any successor or assign of the Attorney General, or any party represented by or claiming through the Attorney General, hereafter can, shall or may have, against Tenet for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the day of these presents, arising out of or in any way relating to the issues raised or that could have been raised in the Litigation, the Florida Medicaid Investigation, and the FMC Investigation. This release, as it relates to the FMC Investigation, applies to Florida Medical Center, Tenet, and all of Tenet's employees, but shall not be construed to apply to any other persons or entities. This Agreement,

executed by the Attorney General, shall be a fully binding and complete settlement between the Attorney General and Tenet, and all parties represented by or claiming through them.

**D. *Payment***

In consideration of the dismissal with prejudice of the Litigation, the termination of the Florida Medicaid Investigation and the FMC Investigation, and the releases provided above, within fifteen business days after the date on which this Agreement becomes effective, as defined in Section V of this Agreement, Tenet shall pay a total of \$3,000,000, consisting of \$1,080,000 paid to the Attorney General's Legal Services Trust Fund and \$1,920,000 paid to an escrow fund maintained by Holland & Knight LLP. Upon written instructions from the Attorney General, the \$1,920,000 shall be divided and allocated and transferred by wire payment of immediately available funds to bank accounts as designated by the Attorney General. Tenet shall have no responsibility or liability for the allocation and distribution of funds once written instructions are received and executed on the wire transfer payments.

**E. *Uninsured Patient Fund***

In consideration of the dismissal with prejudice of the Litigation, the termination of the Florida Medicaid Investigation and the FMC Investigation, and the releases provided above, Tenet shall cause to be created an Uninsured Patient Fund (the "Fund") comprised of funds totaling \$4,000,000. The Public Hospitals will be permitted to submit written requests for payment from the Fund for the treatment of indigent, uninsured persons at the Public Hospitals who do not otherwise have private insurance or eligibility for Medicare, Medicaid, or any other government sponsored medical care program. The Fund shall be administered by Complete Claim Solutions, Inc. (the "Fund Administrator"). All costs incurred in administering and maintaining the Fund, including the Fund Administrator's compensation, shall be paid from the

Fund. Once Tenet has transferred \$4,000,000 to the Fund in accordance with this Agreement, Tenet shall have no further responsibilities or liability for the manner in which the Fund is administered, and in particular, the method and manner by which payments from the Fund are made or distributed.

**F. *Dismissal of the Litigation***

No later than five business days after Tenet's transfer of the \$1,080,000 to the Attorney General's Legal Services Trust Fund and \$1,920,000 to the escrow fund maintained by Holland & Knight LLP or Tenet's transfer of the \$4,000,000 to the Fund, whichever occurs later, the Attorney General and the Public Hospitals shall file in the Litigation a Notice of Dismissal With Prejudice.

**G. *Legal Process***

The Parties agree that the sole and exclusive means for Tenet to obtain documents or testimony from the Public Hospitals in connection with Tenet's defense of the action styled *Boca Raton Community Hospital v. Tenet Healthcare Corporation*, Case No. 05-801083-CIV-SEITZ-MCALILEY ("Boca Case") shall be through any method permitted under the Federal Rules of Civil Procedure, including through the issuance of subpoenas pursuant to Fed. R. Civ. P. 45. Tenet agrees that in the event it serves the Public Hospitals with any request for discovery in accordance with the Federal Rules of Civil Procedure in the Boca Case it will simultaneously provide a copy of such request to the Attorney General. Tenet shall not serve a public records request on any of the Public Hospitals seeking any records or documents in any way relating to the Litigation.

### **III. MISCELLANEOUS PROVISIONS**

#### **A. *Attorneys' Fees and Costs***

Except as otherwise provided in this Agreement, each Party shall bear its own attorneys' fees and costs incurred in connection with the Litigation, the Florida Medicaid Investigation, the FMC Investigation, and this Agreement.

#### **B. *Non-Admissibility of Agreement***

This Agreement, and the settlement discussions that led to it, have been undertaken by the Parties in good faith and for settlement purposes only, and neither this Agreement nor any evidence of negotiations that led to it shall be offered or received as evidence in the Litigation, or any other action or proceeding, for any purpose other than in an action or proceeding arising under this Agreement.

#### **C. *Warranty of Capacity to Execute Agreement***

The Parties represent and warrant that no other person or entity has or has had any interest in the claims, demands, obligations, causes of action, and investigations referred to in this Agreement; that the Parties have the legal capacity and authority to execute the terms and conditions of this Agreement; and that the person executing this Agreement on behalf of each Party has the authority and mental capacity to bind that Party to the terms of this Agreement.

#### **D. *Entire Agreement***

The Parties agree that this Agreement contains the entire agreement between them with regard to the matters set forth in this Agreement, and shall be binding upon and inure to their benefit. There are no other understandings or agreements, verbal or otherwise, between the Parties, except as expressly set forth in this Agreement. There have been no representations not set forth herein that any Party has relied upon in entering into this Agreement. Any modifications to this Agreement must be in writing and signed by all Parties.

**E. *Representation of Comprehension of Document***

In entering into this Agreement, each Party represents that it has relied upon the legal advice of its attorney, who is the attorney of its own choice, and that the terms of this Agreement have been completely read by each Party and explained by its attorney, and that those terms are fully understood and voluntarily accepted.

**IV. CONSTRUCTION BY STATE LAW**

This Agreement shall be construed and interpreted in accordance with the laws of the State of Florida. The Parties agree that should any provision of this Settlement Agreement require interpretation or construction that all Parties have participated in the drafting of this document and no presumption regarding construing the document against one Party shall apply. The Parties agree that the sole and exclusive venue for any action arising out of or in any way relating to this Agreement shall be the United States District Court for the Southern District of Florida, Miami Division.

**V. EFFECTIVENESS**

This Agreement shall become effective on the date on which the last required signature is affixed to this Agreement. This Agreement may be executed in counterparts. The Parties agree to accept and treat facsimiles of the signature pages as originals.

**[SIGNATURES BEGIN ON NEXT PAGE]**



TENET HEALTHCARE CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

ACKNOWLEDGEMENT

STATE OF \_\_\_\_\_ )

) SS:

COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2006, by \_\_\_\_\_ who holds the position of \_\_\_\_\_ for Tenet Healthcare Corporation, and who is personally known to me/has produced \_\_\_\_\_ as identification.

(SEAL)

Printed/Typed Name: \_\_\_\_\_

Notary Public-State of: \_\_\_\_\_

Commission Number: