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 of the Department of Health and Human Services ("OIG-HHS"), (collectively, the "United States"), Texas Children's Hospital ("TCH"), TCH Pediatrics Associates, Inc. d/b/a Texas Children's Pediatrics ("TCP"), Texas Children's Health Plan, Inc. ("TCHP"), Texas Children's Physician Group d/b/a Texas Children's Physician Services Organization ("TCPG") (collectively "Texas Children's Providers"), and Vanessa Sivadge (Relator), (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Texas Children's Hospital is a Texas nonprofit corporation that operates pediatric hospitals, clinics, and other facilities. Its main campus is in Houston, Texas. Texas Children's Health Plan is a Texas nonprofit corporation and health maintenance organization providing Medicaid coverage in Texas. TCH is an affiliate of TCHP. Texas Children's Pediatrics is a Texas certified nonprofit health organization that is affiliated with TCH and operates a pediatric primary care network. Texas Children's Physicians Group is a Texas nonprofit health organization that contracts with and employs a network of providers who provide services at TCH's pediatric hospitals, clinics, and facilities.

B. On May 22, 2024, Relator filed a qui tam action in the United States District Court for the Southern District of Texas captioned *United States ex rel. Doe v. Texas Children's Hospital, at al.*, Civil Action No. 4:24-cv-02018, pursuant to the qui tam provisions of the False Claims Act, 31 U.S.C. § 3730(b) (the "Civil Action").

C. The United States contends that the Texas Children's Providers submitted or caused to be submitted claims for payment to the Medicaid Program, 42 U.S.C. §§ 1396-

1396w-5 ("Medicaid"), Healthy Texas Women, and the Children's Health Insurance Program ("CHIP").

D. The United States contends that it has certain civil claims against the Texas Children's Providers arising from the following conduct. From January 1, 2016, through the Effective Date of this Agreement, the Texas Children's Providers knowingly submitted claims for payment or knowingly caused to be submitted claims for payment to Texas Medicaid, Healthy Texas Women, and Texas CHIP and Texas Children's Health Plan knowingly paid or caused to be paid claims on behalf of Texas Medicaid and Texas CHIP, with false diagnosis codes for items or services provided to patients to treat the patients' gender dysphoria or other gender identity related disorders. The Texas Children's Providers used false ICD-10 codes instead of an accurate primary diagnosis code allegedly to obscure the true reasons for the items and services provided to the patients. That conduct is referred to below as the "Covered Conduct."

E. This Settlement Agreement is neither an admission of liability by the Texas Children's Providers nor a concession by the United States that its claims are not well founded.

F. 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. The Texas Children's Providers shall pay to the United States $1,424,000 inclusive of civil penalties (Settlement Amount), of which $570,000 is restitution, no later than ten (10) calendar days after the Effective Date of this Agreement by electronic funds transfer

pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Conditioned upon the United States receiving the Settlement Amount and as soon as feasible after receipt, the United States shall pay $284,800 to Relator by electronic funds transfer (Relator's Share).

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount, the United States releases the Texas Children's Providers, together with their respective parents, subsidiaries, affiliates, physicians, employees, independent contractors (including physicians who have assigned their rights to bill and collect to a Texas Children's Provider), and agents, for services billed by the Texas Children's Providers, from any civil or administrative monetary claim the United States has for the Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. The terms and releases related to the settlement of Relator's attorneys' fees, expenses and costs pursuant to 31 U.S.C. § 3730(d) are not provided for herein but are instead the subject of separate agreement between Relator, Relator's counsel, and the Texas Children's Providers.

5. Notwithstanding the releases given in Paragraph 3 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);

b. Any criminal liability;

c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right;

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

e. Any liability based upon obligations created by this Agreement.

6. Relator and her heirs, successors, attorneys, agents, and assigns shall not object to this Agreement but agree and confirm that this Agreement is fair, adequate, and reasonable under all the circumstances, pursuant to 31 U.S.C. § 3730(c)(2)(B). Conditioned upon Relator's receipt of the Relator's Share, Relator and her heirs, successors, attorneys, agents, and assigns fully and finally release, waive, and forever discharge the United States, its agencies, officers, agents, employees, and servants, from any claims arising from the filing of the Civil Action or under 31 U.S.C. § 3730, and from any claims to a share of the proceeds of this Agreement and/or the Civil Action.

7. The Texas Children's Providers waive and shall not assert any defenses the Texas Children's Providers may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

8. The Texas Children's Providers fully and finally release the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that the Texas Children's Providers have asserted, could have asserted, or may assert in the future against the United States, its

agencies, officers, agents, employees, and servants, related to the Covered Conduct or the United States' investigation or prosecution thereof.

9. Relator fully and finally releases the United States from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that Relator has asserted, could have asserted, or may assert in the future against the Relator, related to the Covered Conduct and the allegations set forth in the qui tam complaint, and the Relator's investigation and prosecution thereof.

10. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any Medicare or Medicaid contractor (e.g., Medicare Administrative Contractor, fiscal intermediary, carrier) or any state payer, related to the Covered Conduct; and the Texas Children's Providers agree not to resubmit to any Medicare or Medicaid contractor or any state payer any previously denied claims related to the Covered Conduct, agree not to appeal any such denials of claims, and agree to withdraw any such pending appeals.

11. The Texas Children's Providers agree to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of the Texas Children's Providers, its present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Agreement;

(2) the United States' audit(s) and civil investigation of the matters covered by this Agreement; the Texas Children's Providers' investigation, defense,

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

(4) the negotiation and performance of this Agreement;

(5) the payment the Texas Children's Providers make to the United States pursuant to this Agreement and any payments that the Texas Children's Providers may make to Relator, including costs and attorneys fees,

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by the Texas Children's Providers, and the Texas Children's Providers 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 Texas Children's Providers or any of their subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: The Texas Children's Providers 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, 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 Texas Children's Providers 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 Texas Children's Providers agree that the United States, at a minimum, shall be entitled to recoup from the Texas Children's Providers any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by the Texas Children's Providers or any of their subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on the Texas Children's Providers or any of their subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine the Texas Children's Providers' books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

12. The Texas Children's Providers agree to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, the Texas Children's Providers shall encourage, and agree not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. The

Texas Children's Providers further agree to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

13. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 14 (waiver for beneficiaries paragraph), below.

14. The Texas Children's Providers agree that they waive and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as Covered Conduct.

15. Upon receipt of the payment described in Paragraph 1, above, the Parties shall promptly sign and file in the Civil Action a Joint Stipulation of Dismissal of the Civil Action pursuant to Rule 41(a)(1).

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

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

18. This Agreement is governed by the laws of the United States. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Southern District of Texas. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

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

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

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

22. This Agreement is binding on the Texas Children's Providers' successors, transferees, heirs, and assigns.

23. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

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

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

THE UNITED STATES OF AMERICA

DATED: 7/18/26 BY: Brett Shumate

BRETT SHUMATE
Assistant Attorney General
Civil Division
United States Department of Justice

DATED: 7/8/2026 BY: John Marck

JOHN G.E. MARCK
Acting United States Attorney
United States Attorney's Office for the
Southern District of Texas

DATED: ________ BY: SUSAN GILLIN Digitally signed by SUSAN GILLIN Date: 2026.07.20 10:01:30 -04'00'

SUSAN E. GILLIN
Assistant Inspector General for Legal Affairs
Office of Counsel to the Inspector General
Office of Inspector General
United States Department of Health and Human Services

THE TEXAS CHILDREN'S PROVIDERS

DATED: 7/21/2026 BY: ______________________________
David L. Stockel
Deputy General Counsel
Texas Children's Hospital

DATED: 7/21/2026 BY: ______________________________
David L. Stockel
Deputy General Counsel
Texas Children's Health Plan, Inc.

DATED: 7/21/2026 BY: ______________________________
David L. Stockel
Deputy General Counsel
TCH Pediatrics Associates, Inc. d/b/a
Texas Children's Pediatrics

DATED: 7/21/2026 BY: ______________________________
David L. Stockel
Deputy General Counsel
Texas Children's Physician's Group d/b/a
Texas Children's Physician Services Organization

DATED: 7/21/2026 BY: ______________________________
Cliff Stricklin
King & Spalding LLP
Counsel for the Texas Children's Providers

Docusign Envelope ID: 4C5FE3E3-C4C8-88D5-826E-2E16A776DCD0

VANESSA SIVADGE - RELATOR

DATED: 7/24/2026 BY: Signed by: Vanessa Sivadge D2A060B111C749D...

VANESSA SIVADGE

DATED: 7/23/2026 BY: Signed by: Marcella Burke B8ECD7D2552141A...

MARCELLA BURKE
Burke Law Group
Counsel for Relator