

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

USDC SDNY
DOCUMENT
ELECTRONICALLY FILED
DOC #: _____
DATE FILED: 12/18/2025

-----X

UNITED STATES OF AMERICA, and
STATE OF NEW YORK, *ex rel.*
KEVIN G. MURPHY,

Plaintiffs,

-against-

NEW YORK-PRESBYTERIAN
HEALTHCARE SYSTEM, INC., *et al.*,

Defendants.

STIPULATION AND ORDER
OF SETTLEMENT

Civil Action No. 21-cv-1762

(Román, J.)

THIS STIPULATION AND ORDER OF SETTLEMENT (the “Stipulation”) is entered into by and among the State of New York (the “State”), by the Office of the Attorney General, through the Medicaid Fraud Control Unit (“MFCU”), defendant New York-Presbyterian Hudson Valley Hospital (“NY-Presbyterian HVH”), by its authorized representatives, and relator Kevin Murphy (“Relator”), by his authorized representatives. The State, NY-Presbyterian HVH, and Relator shall be collectively referred to herein as the “Parties.”

WHEREAS, in 2015, New York Presbyterian Hospital (“NYP”) began the process of acquiring Hudson Valley Hospital Center (“Hudson Valley”), and, in so doing, assumed control and active-parent status over Hudson Valley, which then became known as NY-Presbyterian HVH, and began to integrate Hudson Valley’s clinical services and operations;

WHEREAS, at all relevant times, Hudson Valley and later NY-Presbyterian HVH was a not-for-profit hospital located in Cortlandt Manor, New York;

WHEREAS, NY-Presbyterian HVH is enrolled as a provider of medical services in the Medicaid Program under Provider ID 00274153 and NPI No. 1881659274;

WHEREAS, throughout the period relevant to this Stipulation, NY-Presbyterian HVH and Hudson Valley executed annual Certification Statements For Provider Billing Medicaid through the State’s Medicaid Fiscal Agent (“Certification Statements”), pursuant to 18 NYCRR §§ 504.1 (b)(1), 504.9, certifying that all claims that NY-Presbyterian HVH and Hudson Valley submitted for reimbursement to Medicaid were made in full compliance with applicable federal and state laws and regulations and pertinent provisions of the eMedNY Provider Manual and all revisions thereto, and that NY-Presbyterian HVH and Hudson Valley understood and agreed that they would be subject to and bound by all rules, regulations, policies, standards, fee codes, and procedures of the New York State Department of Health (“NYSDOH”) and the Office of the Medicaid Inspector General (“OMIG”) as set forth in statute or title 18 of the Official Compilation of Codes, Rules and Regulations of New York State and other publications of NYSDOH, including eMedNY Provider Manuals and other official bulletins of NYSDOH;

WHEREAS, in July 2011, Hudson Valley entered into two agreements with an oncology practice located in Westchester County (the “Oncology Practice”) under which one of its physician principals would serve as the Medical Director of a proposed melanoma center (the “Melanoma Center”) and the other physician principal would serve as the Medical Director of a proposed breast cancer center (the “Breast Center”);

WHEREAS, in September 2012, Hudson Valley entered into a third agreement with the Oncology Practice under which the Oncology Practice would develop, manage, market, and integrate an intraoperative radiation therapy service line (the “IORT Service Line”) as part of Hudson Valley’s Department of Radiation Oncology (collectively with the agreements concerning the Melanoma Center and the Breast Center, the “Agreements”);

WHEREAS, intraoperative radiation therapy, also known by its acronym IORT, is a radiation treatment that is done during surgery in which high doses of radiation are directed to specific areas of the body in order to treat cancers that are difficult to remove during surgery;

WHEREAS, Hudson Valley made annual payments to the Oncology Practice in connection with the Agreements, and NY-Presbyterian HVH continued to make these payments to the Oncology Practice after it assumed control over Hudson Valley in 2015;

WHEREAS, on or about February 25, 2021, Relator filed a complaint under the *qui tam* provisions of the False Claims Act (“FCA”), 31 U.S.C. § 3729 *et seq.*, and the New York State False Claims Act, State Finance Law § 187, *et seq.* (“State False Claims Act”), against NY-Presbyterian HVH and others alleging that Hudson Valley and NY-Presbyterian HVH violated the FCA and State False Claims Act by paying kickbacks to the Oncology Practice in exchange for patient referrals and submitting claims to Medicare and Medicaid for services provided to these patients that resulted from violations of the Anti-Kickback Statute, 42 U.S.C. § 1320a-7(b) (“AKS”), and the Stark Law, 42 U.S.C. § 1395nn (“Stark Law”) (the “Relator Complaint”);

WHEREAS, MFCU and the United States investigated the allegations in the Relator Complaint and MFCU found that NY-Presbyterian HVH engaged in the following conduct described below (the “Covered Conduct”):

From January 2011 through December 2019 (the “Covered Period”), Hudson Valley and NY-Presbyterian HVH offered and paid remuneration to the Oncology Practice in the form of millions of dollars of fees in connection with the Agreements, including payments for work that was not performed, to induce the Oncology Practice to refer its patients to Hudson Valley and NY-Presbyterian HVH for oncology-related medical services in violation of the AKS and the Stark Law. As a result of the foregoing, Hudson Valley and NY-Presbyterian HVH submitted false claims for payment to Medicare and Medicaid for services provided to these patients in violation of the State False Claims Act.

WHEREAS, as a result of the Covered Conduct, NY-Presbyterian HVH caused the State to suffer damages of at least the amount to be repaid under this Stipulation;

WHEREAS, the State has civil claims against NY-Presbyterian HVH as a result of the Covered Conduct, including under the State False Claims Act, N.Y. Executive Law § 63(12), N.Y. Executive Law § 63-c, N.Y. Social Services Law § 145-b, and the common law;

WHEREAS, NY-Presbyterian HVH wishes to resolve its civil liability for the Covered Conduct;

WHEREAS, Relator claims entitlement under N.Y. State Finance Law § 190(6) to a share of the proceeds of this Stipulation, and to Relator's reasonable expenses, attorneys' fees, and costs;

WHEREAS, NY-Presbyterian HVH is contemporaneously herewith entering into an agreement with the United States (the "United States Agreement") to resolve the United States' claims arising from the Covered Conduct and has agreed to pay a total of Six Million Four Hundred and Sixty Nine Thousand Four Hundred and Ten Dollars and Thirty Two Cents (\$6,469,410.32), plus interest, to the United States pursuant to the United States Agreement, of which Two Hundred and Forty Nine Thousand Three Hundred and Twenty Two Dollars and Sixteen Cents (\$249,322.16) constitutes the federal portion of the total Medicaid damages amount of Six Hundred and Sixteen Thousand Six Hundred and Seventy Six Dollars and Fourteen Cents (\$616,676.14) ("Total Medicaid Settlement Amount").

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein, **IT IS HEREBY ORDERED** that:

TERMS AND CONDITIONS

1. The Parties agree that this Court has subject matter jurisdiction over this action and consent to this Court's exercise of personal jurisdiction over each of them.
2. NY-Presbyterian HVH admits, acknowledges and accepts responsibility for the following conduct (the "Admitted Conduct"):

- a. In or around 2010, Hudson Valley was seeking to expand its oncology department, including its breast surgery practice.
- b. In July 2011, Hudson Valley entered into an agreement with the Oncology Practice, which specialized in breast surgery services. Under the agreement, Hudson Valley provided space, equipment, and services to the Oncology Practice.
- c. Hudson Valley proceeded to enter into three separate agreements with the Oncology Practice: (i) an agreement under which one of its physician principals (“Physician A”) would serve as the Medical Director of the proposed Melanoma Center at the hospital (the “Melanoma Directorship Agreement”); (ii) an agreement under which the other physician principal (“Physician B”) would serve as the Medical Director of the proposed Breast Center at the hospital (the “Breast Center Directorship Agreement”); and (iii) an agreement under which the Oncology Practice would develop, manage, market, and integrate the IORT Service Line as part of the hospital’s Department of Radiation Oncology (the “IORT Management Services Agreement”).
- d. Under each agreement, the Oncology Practice received an annual fee for the services that were supposed to be provided by the Oncology Practice and its two physician principals, Physician A and Physician B, or their designees.
- e. In 2015, New York Presbyterian Healthcare System began the process of acquiring Hudson Valley and, in so doing, assumed control and active-parent status over Hudson Valley and began to integrate Hudson Valley’s clinical services and operations. By October 2016, NY-Presbyterian HVH was, or at minimum should have been, aware that the Oncology Practice was performing only a portion of the work called for under the IORT Management Services Agreement and was not performing the majority of the work being called for under the Melanoma Directorship Agreement. Nevertheless, NY-Presbyterian HVH continued paying the Oncology Practice its fees under each of these agreements for another three years. Under the Melanoma Center Directorship Agreement and the Breast Center Directorship Agreement, Physician A and Physician B were each required to maintain time records of services provided and submit time reports to Hudson Valley, and later NY-Presbyterian HVH, on a monthly basis. Under the IORT Management Services Agreement, the Oncology Practice was responsible for keeping a log of the time spent managing the IORT Service Line.
- f. As described below, between 2011 and 2019, Hudson Valley and NY-Presbyterian HVH together paid the Oncology Practice over \$4 million pursuant to the Agreements for work that was either not performed, not performed as called for in the Agreements, or for which NY-Presbyterian HVH lacks any time records. The Oncology Practice was required to submit these

records to Hudson Valley, and later NY-Presbyterian HVH, under the Melanoma and Breast Center Directorship Agreements.

- g. During this period, the Oncology Practice referred Medicare and Medicaid patients to Hudson Valley and later NY-Presbyterian HVH for clinical services, including surgical procedures and pathology services.

The Melanoma Directorship Agreement

- h. The Melanoma Directorship Agreement had a duration of five years—beginning on July 5, 2011, and expiring on July 5, 2016—and required the hospital to pay the Oncology Practice an annual fee of \$185,000. In exchange, Physician A or their designee was required to devote at least 50 hours per month to performing their duties as Medical Director, including the primary task of developing and operating the Melanoma Center and establishing standards and indicators for quality measures for its programs. The Agreement required Physician A to maintain time records reflecting the services provided and to submit monthly reports to the hospital as a prerequisite to payment.
- i. The Oncology Practice and Physician A never developed or established the Melanoma Center as envisioned by the Melanoma Directorship Agreement and, accordingly, Physician A did not perform the primary duties of a Medical Director as envisioned by the Melanoma Directorship Agreement. Further, at least by 2012, Physician A did not provide 50 hours of work per month toward developing or establishing the Melanoma Center and NY-Presbyterian HVH was unable to identify any time records from the Covered Period documenting Physician A's or their designee's work related to the Melanoma Directorship Agreement.
- j. NY-Presbyterian HVH did not execute a written extension of the Melanoma Directorship Agreement after it expired on July 5, 2016. Nevertheless, NY-Presbyterian HVH continued to pay the Oncology Practice \$185,000 per year through 2019, despite the absence of any written agreement.
- k. Between 2011 and 2019, Hudson Valley and NY-Presbyterian HVH together paid the Oncology Practice over \$1.6 million to provide the services set forth in the Melanoma Directorship Agreement, including principally the establishment and operation of the Melanoma Center. However, the Melanoma Center was never established as envisioned by the Melanoma Directorship Agreement.

The IORT Management Services Agreement

- l. The IORT Management Services Agreement had a duration of approximately four years—beginning on September 3, 2012, and expiring on June 30, 2016—and required the hospital to pay the Oncology Practice an annual fee of

\$125,000. In exchange, the Oncology Practice was required to devote at least 45 hours per month to providing management services related to the IORT Service Line. The IORT Management Services Agreement required the Oncology Practice to maintain time records reflecting the services provided and to submit such records upon the hospital's request.

- m. However, NY-Presbyterian HVH was unable to identify any time records from the Covered Period documenting the work performed by the Oncology Practice under the agreement. And, accordingly, NY-Presbyterian HVH cannot confirm whether the Oncology Practice ever provided the 45 hours of work per month on the IORT Service Line, as required by the IORT Management Services Agreement.
- n. NY-Presbyterian HVH did not execute a written extension of the IORT Management Services Agreement after it expired on June 30, 2016. Nevertheless, NY-Presbyterian HVH continued to pay the Oncology Practice \$125,000 per year through 2019, despite the absence of any written contract.
- o. Between 2012 and 2019, NY-Presbyterian HVH paid the Oncology Practice over \$900,000 for services provided in connection with the IORT Service Line even though the Oncology Practice, including Physicians A and B, failed to devote the type and quantity of management services required under the IORT Management Services Agreement.

The Breast Center Directorship Agreement

- p. The Breast Center Directorship Agreement had a duration of five years—beginning on July 5, 2011, and expiring on July 5, 2016—and required the hospital to pay the Oncology Practice an annual fee of \$185,000. In exchange, Physician B or their designee was required to devote at least 50 hours per month to performing their duties as Medical Director, including developing and operating the Breast Center and establishing standards and indicators for quality measures for its programs. The Breast Center Directorship Agreement required Physician B to maintain time records reflecting the services provided and to submit monthly reports to the hospital as a prerequisite for payment.
- q. However, NY-Presbyterian HVH was unable to identify any time records from the Covered Period documenting Physician B's or their designee's work related to the Breast Center Directorship Agreement.
- r. NY-Presbyterian HVH did not execute a written extension of the Breast Center Directorship Agreement after it expired in 2016. Nevertheless, NY-Presbyterian HVH continued to pay the Oncology Practice \$185,000 per year through 2019, despite the absence of any written agreement. In total, between 2011 and 2019, Hudson Valley and NYPHV together paid the Oncology Practice over \$1.6 million for services provided in connection with the Breast

Center despite the absence of a written agreement after 2016 and the lack of any time records documenting the work performed by Physician B (or their designee) as required by the Breast Center Directorship Agreement.

3. NY-Presbyterian HVH shall pay to the State within fourteen (14) business days of the Effective Date (defined below in Paragraph 35) the sum of Three Hundred and Sixty Seven Thousand Three Hundred and Fifty Three Dollars and Ninety Eight Cents (\$367,353.98) plus interest which shall be compounded annually at a rate of Four and a Quarter Percent (4.25%) accruing from November 27, 2025, to the date of the payment (the “Settlement Amount”), pursuant to the terms set forth herein. One Hundred and Eighty Three Thousand Six Hundred and Seventy Six Dollars and Ninety Nine Cents (\$183,676.99) of the Settlement Amount constitutes restitution. The Settlement Amount represents the state portion of the Total Medicaid Settlement Amount.

4. NY-Presbyterian HVH shall be in default of this Stipulation if it fails to comply with the terms and conditions as set forth herein, in whole or in part, including but not limited to failure to pay the full Settlement Amount on or before the due date for such payment (“Default”). In the event of Default, the State will provide written notice of any such Default, to be sent by email and first-class U.S. mail to the undersigned attorneys for NY-Presbyterian HVH, who will then have seven (7) calendar days to cure the Default (the “Cure Period”). If NY-Presbyterian HVH fails to cure the Default within the Cure Period (“Uncured Default”), interest on the remaining unpaid balance shall thereafter accrue at the rate of Twelve Percent (12%) per annum, compounded daily from the date of Default, on the remaining unpaid total (principal and interest balance).

5. In the event of an Uncured Default, the State, at its option, may: (a) rescind this Stipulation or seek specific performance of this Stipulation; (b) offset the remaining unpaid balance from any amounts due and owing to NY-Presbyterian HVH and/or affiliated companies

by any department, agency, or agent of the State as of the time of Default or subsequently; (c) file a civil action for the Covered Conduct; and/or (d) exercise any other rights granted by law or in equity, including referral of this matter for private collection.

6. Notwithstanding the foregoing, in the event of Uncured Default as defined in Paragraph 4, above, the State through the Office of the Medicaid Inspector General (“OMIG”), may exclude NY-Presbyterian HVH from participating in all state-funded health care programs until NY-Presbyterian HVH cures the Default; provided, however, that so long as NY-Presbyterian HVH is not in Default of this Stipulation, as defined in Paragraph 4, above, MFCU will not recommend or request that any federal or state agency exclude NY-Presbyterian HVH from participation in any federal or state-funded health care program based upon information available to MFCU as of the date of this Stipulation. The State will provide written notice of any such exclusion to NY-Presbyterian HVH. NY-Presbyterian HVH will not contest exclusion on the basis of the Uncured Default either administratively or in any state or federal court. Reinstatement to program participation is not automatic. The option of exclusion for an Uncured Default as set forth in this Paragraph is in addition to, and not in lieu of, the options otherwise identified in this Stipulation or available to the State in the event of Uncured Default.

7. NY-Presbyterian HVH shall not contest any offset imposed or any collection action undertaken by the State pursuant to Paragraph 5, either administratively or in any state or federal court, except on the grounds of actual payment to the State. In addition, NY-Presbyterian HVH shall pay the State all reasonable costs of collection and enforcement under Paragraph 5, including reasonable attorneys’ fees and expenses. In the event that the State opts to rescind this Stipulation, NY-Presbyterian HVH shall not plead, argue, or otherwise raise any defenses under theories of statutes of limitations, laches, estoppel, or similar theories, to any civil or administrative claims

that relate to the Covered Conduct, except to the extent such defenses were available as of February 25, 2021. Acceptance by the State of late payment with interest shall not cure any other default hereunder.

8. Pursuant to the State's obligations under N.Y. Finance Law § 190(6)(a) and the terms of this Stipulation, as soon as practicable after the State's receipt of the Settlement Amount from NY-Presbyterian HVH, the State shall pay Relator Twenty Percent (20%) of such payment ("Relator's Share"). The undersigned Relator's counsel shall provide the State with written instructions to facilitate such payments. The State's obligation to pay the Relator's Share is conditioned upon the State's receipt of payment from NY-Presbyterian HVH, and in no event will the Relator's Share exceed Seventy Three Thousand Four Hundred Seventy Dollars and Eighty Cents (\$73,470.80) of the Settlement Amount.

9. Subject to the provisions in Paragraph 10 below (concerning reserved claims), and conditioned upon full payment of the Settlement Amount, plus applicable interest, by NY-Presbyterian HVH, the State releases NY-Presbyterian HVH, its successors, assigns, present and former parents, subsidiaries, and affiliates from any civil monetary claim against NY-Presbyterian HVH for the Covered Conduct under the State False Claims Act, N.Y. Executive Law § 63(12), N.Y. Executive Law § 63-c, N.Y. Social Services Law § 145-b, and the common law theories of disgorgement, payment by mistake, money had and received, unjust enrichment, breach of contract, and fraud. For avoidance of doubt, this Stipulation does not release any current or former officer, director, employee, or agent of NY-Presbyterian HVH from liability of any kind.

10. Notwithstanding the releases given in Paragraph 9 above, or any other term of this Stipulation, the State specifically does not release:

- a. Any liability arising under state tax law;

- b. Any criminal liability;
- c. Any administrative liability, including mandatory or permissive exclusion from the State's Medicaid Program;
- d. Any liability that NY-Presbyterian HVH has or may have to the State or to individual consumers or state program payors under any statute, regulation, or rule not expressly covered by the releases in Paragraph 9 above, including but not limited to any and all claims involving unfair and/or deceptive acts and practices and/or violations of consumer protection laws;
- e. Any liability to the State (or its agencies) for any conduct other than the Covered Conduct;
- f. Any liability for personal injury, patient abuse, or neglect, arising from the Covered Conduct;
- g. Any liability of individuals for the Covered Conduct;
- h. Any liability that may be asserted by or on behalf of any payor or insurer paid by the State's Medicaid Program on a capitated basis, other than liability of NY-Presbyterian HVH to the State for the Covered Conduct; and
- i. Any liability based upon obligations created by this Stipulation.

11. Subject to the exceptions in Paragraph 10 (concerning reserved claims) and Paragraph 4 (concerning default), and conditioned on NY-Presbyterian HVH's full compliance with the terms of this Stipulation, including full payment of the Settlement Amount, plus applicable interest, to the State pursuant to Paragraph 3 above, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns releases NY-Presbyterian HVH, including its subsidiaries and corporate predecessors, successors and assigns, as well as all of its current and

former officers, directors, employees, attorneys, and other agents, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that Relator has against NY-Presbyterian HVH related to or arising from the Relator Complaint or his employment with NY-Presbyterian HVH; provided, however, that nothing in this Stipulation shall preclude Relator from seeking to recover his reasonable expenses and attorneys' fees and costs pursuant to State Finance Law § 190(6)(a). For the avoidance of doubt, other than as set forth in this Paragraph, nothing in this Stipulation modifies, interferes with, or invalidates any prior release included in any agreement to which Relator has entered into with or involving NY-Presbyterian HVH or Hudson Valley.

12. In consideration of the execution of this Stipulation by Relator and the Relator's release as set forth in Paragraph 11 above, NY-Presbyterian HVH, including its subsidiaries and corporate predecessors, successors and assigns, as well as all of its current and former officers, directors, employees, attorneys, and other agents, release Relator and his heirs, successors, attorneys, agents, and assigns, from any and all manner of claims, proceedings, liens, and causes of action of any kind or description that NY-Presbyterian HVH has against Relator related to or arising from the Relator Complaint.

13. In consideration of the obligations of the State set forth in this Stipulation, NY-Presbyterian HVH, for itself and for its successors, assigns, present and former parents, subsidiaries, and affiliates waives, discharges, and fully releases the State, its agencies, officers, political subdivisions, employees, servants, and agents, from any claims (including attorneys' fees, costs, and expenses of every kind and however denominated) that NY-Presbyterian HVH asserted, could have asserted, or may assert in the future against the State, its agencies, officers, political

subdivisions, employees, servants, and agents, relating to the Covered Conduct or the State's investigation, prosecution, and settlement thereof.

14. Conditioned upon Relator's receipt of the payment described in Paragraph 8, Relator, for himself and for his heirs, successors, attorneys, agents, and assigns hereby waives, discharges, and fully releases the State, its agencies, officers, political subdivisions, employees, servants, and agents 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 State, its agencies, officers, political subdivisions, employees, servants, and agents, relating to the Covered Conduct or the State's investigation, prosecution, and settlement thereof, and from any claim to a share of the proceeds of the Settlement Amount except as provided in Paragraph 8.

15. Relator, on behalf of himself and his heirs, successors, attorneys, agents, and assigns, shall not object to this Stipulation and confirms that this Stipulation is fair, adequate, and reasonable under all the circumstances pursuant to New York State Finance Law § 190(5)(b)(ii).

16. NY-Presbyterian HVH waives and shall not assert any defenses it may have to criminal prosecution or administrative action for the Covered Conduct, which defenses may be based in whole, or in part, upon a contention made under the Double Jeopardy Clause of the Fifth Amendment of the Constitution, or under the Excessive Fines Clause of the Eighth Amendment of the Constitution, and shall not assert that this Stipulation bars a remedy sought in such criminal prosecution or administrative action.

17. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by the State Medicaid Program, or any other state payor, for the Covered Conduct, and NY-Presbyterian HVH agrees not to resubmit to the State

Medicaid Program, or any other state payor, any previously denied claims, which denials were based upon the Covered Conduct, and agrees not to appeal or cause the appeal of any such denials of claims.

18. NY-Presbyterian HVH shall not seek payment for any claims for reimbursement to the State Medicaid Program covered by this Stipulation from any healthcare beneficiaries or their parents, sponsors, legally responsible individuals, or third-party payors.

19. NY-Presbyterian HVH agrees 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 NY-Presbyterian HVH or any of its present or former officers, directors, trustees, employees, shareholders, and agents in connection with:
 - i. the matters covered by this Stipulation;
 - ii. the State's audit and any civil and/or criminal investigation of the matters covered by this Stipulation;
 - iii. the investigation, defense, and corrective actions undertaken by NY-Presbyterian HVH in response to the State's audit and any civil and/or criminal investigation in connection with the matters covered by this Stipulation (including attorneys' fees);
 - iv. the negotiation and performance of this Stipulation; and
 - v. the payments that NY-Presbyterian HVH makes relating to this Stipulation, including costs and attorneys' fees,

are unallowable costs for government contracting purposes and under the Medicaid Program (“Unallowable Costs”).

- b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for in non-reimbursable cost centers by NY-Presbyterian HVH, and NY-Presbyterian HVH shall not charge such Unallowable Costs directly or indirectly to any contracts with the Medicaid Program or seek payment for such Unallowable Costs through any Consolidated Fiscal Report, cost report, cost statement, information statement, or payment request submitted by NY-Presbyterian HVH or any of its subsidiaries or affiliates to the Medicaid Program.
- c. Treatment of Unallowable Costs Previously Submitted for Payment: NY-Presbyterian HVH further agrees that, within ninety (90) days of the Effective Date of this Stipulation, it shall identify to applicable Medicaid fiscal agents any Unallowable Costs that were included in payments previously sought from the Medicaid Program, including but not limited to payments sought in any cost reports, cost submissions, information reports, or payment requests already submitted by NY-Presbyterian HVH or any of its 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. NY-Presbyterian HVH agrees that the State, at a minimum, shall be entitled to recoup from NY-Presbyterian HVH any overpayment, plus applicable interest and penalties, as a result of the inclusion of such Unallowable Costs on previously submitted

cost reports, cost statements, information reports, appeals, or requests for payment. Any payments due after the adjustments have been made shall be paid to the State. The State reserves its right to disagree with any calculations submitted by NY-Presbyterian HVH or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs on NY-Presbyterian HVH or any of its subsidiaries' or affiliates' Consolidated Fiscal Reports, cost reports, cost statements, or information reports, appeals, or other payment requests.

- d. Nothing in this Stipulation shall constitute a waiver of the rights of the State to audit, examine, or re-examine the books and records of NY-Presbyterian HVH or any of its subsidiaries or affiliates to determine that no Unallowable Costs have been claimed in accordance with the provisions of this Paragraph.

20. NY-Presbyterian HVH agrees to cooperate fully and truthfully with the investigation by the State of individuals and entities not released in this Stipulation. Upon reasonable notice, NY-Presbyterian HVH shall encourage, and agrees 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. NY-Presbyterian HVH further agrees to furnish to the State, 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, as well as complete and unredacted copies of any other non-privileged documents in its possession, custody, or control relating to the Covered Conduct.

NY-Presbyterian HVH shall be responsible for all costs it may incur in complying with this paragraph.

21. NY-Presbyterian HVH will not assert any claim for any tax rebate or refund, or other government payment from the State, until the Settlement Amount plus applicable interest is satisfied. In the State's sole discretion, the State may recoup or offset any such payment, without further notice to NY-Presbyterian HVH, for credit towards the Settlement Amount plus applicable interest.

22. No provision of this Stipulation constitutes an agreement by the State concerning the characterization of the Settlement Amount for purposes of New York Tax Law. NY-Presbyterian HVH shall not deduct or discharge the Settlement Amount as part of its New York State tax obligations.

23. NY-Presbyterian HVH will not submit any insurance claims for the Covered Conduct.

24. NY-Presbyterian HVH agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Stipulation or creating the impression that this Stipulation is without factual basis. Nothing in this Paragraph affects NY-Presbyterian HVH's (a) testimonial obligations, if any, or (b) right to take any good faith legal or factual positions in defense of litigation or other proceedings to which the State is not a party.

25. This Stipulation shall be governed by and construed in accordance with the laws of the State of New York without regard to choice of law or conflict of laws principles. The Parties consent to the jurisdiction of the United States District Court for the Southern District of New York in any action brought by the State to enforce or interpret this Stipulation.

26. Any failure by the State to insist upon the strict performance of any of the provisions of this Stipulation shall not be deemed a waiver of any of the provisions hereof, and the State, notwithstanding that failure, shall have the right thereafter to insist upon strict performance of any and all of the provisions of this Stipulation.

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

28. This Stipulation shall be deemed to have been mutually prepared by the Parties hereto and shall not be construed against any of them solely by reason of authorship.

29. The Parties each acknowledge and represent that they have entered into this Agreement freely, voluntarily, and upon due deliberation, with the advice of counsel and without any degree of coercion, duress, or compulsion whatsoever.

30. This Stipulation shall be binding on all successors, transferees, heirs, and assigns of NY-Presbyterian HVH and Relator.

31. Except as otherwise stated in this Stipulation, this Stipulation is intended to be for the benefit of the Parties only, and by this instrument the Parties do not release any liability against any other person or entity.

32. Each Party to this Stipulation shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Stipulation; provided, however, nothing in this Stipulation shall preclude Relator from seeking to recover his expenses or attorneys' fees and costs from Defendant pursuant to State Finance Law § 190(6)(a).

33. All payments by NY-Presbyterian HVH to the State pursuant to this Stipulation shall be made by wire transfer in accordance with written wire instructions to be provided by the State.

34. All notices pursuant to this Stipulation shall be in writing and shall, unless expressly provided otherwise herein, be given by e-mail, followed by hand delivery, overnight delivery by any nationally recognized overnight courier service, or first-class U.S. mail, addressed as follows:

TO THE STATE:

Chief, Civil Enforcement Division
Medicaid Fraud Control Unit
New York State Office of the Attorney General
28 Liberty Street, 13th Floor
New York, NY 10005
Telephone: (212) 417-5300
MFCUNotices@ag.ny.gov

TO NY-PRESBYTERIAN HVH:

Emily A. Vance
Jennifer Gilbert
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
evance@paulweiss.com
jgilbert@paulweiss.com

TO RELATOR:

Kevin P. Mulry
Farrell Fritz, P.C.
400 RXR Plaza
Uniondale, New York 11556
kmulry@farrellfritz.com

35. The effective date of this Stipulation shall be the date that it is so-ordered by the Court ("Effective Date").

36. This Stipulation constitutes the complete agreement between the Parties with respect to NY-Presbyterian HVH's civil liability under the provisions released in Paragraph 9, above, relating to the Covered Conduct, and it may not be changed in any respect, except by a writing duly executed by the Parties or their authorized representatives.

37. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Stipulation.

38. This Stipulation may be executed in counterparts, each of which shall constitute an original, and all of which shall constitute one and the same Stipulation.

WHEREFORE, the Parties have read the foregoing Stipulation and accept and agree to the provisions contained herein and hereby have caused this Stipulation to be signed as of the date adjacent to their signatures.

THE STATE OF NEW YORK

LETITIA JAMES

Attorney General of the State of New York

BY: 

Dated: December 12, 2025

Diana Elkind
Special Assistant Attorney General
Medicaid Fraud Control Unit
28 Liberty Street
New York, New York 10005

NEW YORK-PRESBYTERIAN HUDSON VALLEY HOSPITAL

BY: Michael Breslin Dated: 12/10/25

State of)
)ss:
County of)

ASHLEIGH A MCCAFFREY
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01MC6432920
Qualified in New York County
Commission Expires May 9, 2026

On the 10 day of December, in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Breslin personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same individually, and in his capacity as high managerial agent of New York-Presbyterian Hudson Valley Hospital, and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

[Signature]
NOTARY PUBLIC

Approved as to Form:

BY: Emily Vance Dated: 12/12/2025

Emily A. Vance
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
Tel.: (212) 373-3000

Attorney for New York-Presbyterian Hudson Valley Hospital

RELATOR

BY:

Kevin G. Murphy

Dated:

12.05.25

State of

FL

ss:

County of

Suway

On the 5 day of Dec in the year 2025, before me, the undersigned, a Notary Public in and for said State, personally appeared Kevin G. Murphy personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument, and acknowledged to me that he executed the same, and that by his signature on the instrument, the individual or the entity upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

Approved as to Form:

BY:

Kevin P. Mulry
Farrell Fritz, P.C.
400 RXR Plaza
Uniondale, New York 11556
Tel: (516) 227-0620

Dated:

12/5/25

Attorneys for Relator

Dated: December 18, 2025
White Plains, NY

SO ORDERED:

NELSON S. ROMÁN
United States District Judge