

SETTLEMENT AGREEMENT

I. PARTIES

This Settlement Agreement (“the Agreement”) is entered into by and between the United States of America, acting through the United States Department of Justice (“DOJ”), and the University of Pittsburgh Medical Center (“UPMC”) (collectively “the Parties”), through their authorized representatives.

II. RECITALS

A. UPMC is a nonprofit corporation that operates medical facilities located across the Commonwealth of Pennsylvania and elsewhere.

B. “Covered Medical Procedures” means any medical, surgical, pharmaceutical, or clinical intervention provided to an individual under eighteen (18) years of age that is intended or reasonably expected to suppress, alter, or eliminate endogenous pubertal development, or to modify primary or secondary sex characteristics, for the purpose of aligning with or affirming a minor’s asserted gender identity rather than the minor’s sex, where such intervention would not otherwise be indicated for a congenital, pathological, or non-mental disorder or disease-related condition. These include, but are not limited to:

- a) Puberty suppression: prescription or administration of gonadotropin-releasing hormone (GnRH) agonists or antagonists or functionally equivalent agents, intended to pause or suppress pubertal progression primarily for gender realignment.
- b) Hormone administration: prescription or administration of estrogen, testosterone, or synthetic analogs in a manner intended to induce physical traits associated with the opposite sex or to suppress traits associated with the individual's sex.
- c) Surgical interventions: any surgical procedure intended to alter, remove, or reconstruct primary or secondary sex characteristics, including but not limited to mastectomy, breast augmentation, genital reconstruction or modification, hysterectomy, oophorectomy, orchiectomy, phalloplasty, vaginoplasty, facial feminization, and other surgeries performed primarily to approximate sex-typical appearance.

- d) Voice modification interventions: pharmacological or surgical interventions intended to masculinize or feminize a minor's voice to approximate sex-typical vocal characteristics to align with a gender identity, including but not limited to pharmacological or surgical interventions to affect the larynx, vocal cords, or related structures to modify sex-typical voice characteristics to align with gender identity.
- e) Other ancillary or preparatory interventions: any medical or clinical services that are functionally integral to, preparatory for, or undertaken in furtherance of the interventions listed above.

C. An intervention is considered a Covered Medical Procedure based on its intended purpose and expected physiological or functional effect, and not on the terminology or classification used by a health care provider or facility. The Covered Medical Procedures do not include (a) exercise or nutritional advice, (b) psychological treatments such as individual therapy, group therapy, standardized behavioral health screenings, social support, behavioral parental counseling, or other talk therapy or counseling, (c) other non-medical or surgical mental health interventions, (d) provision of medication prescribed prior to admission during inpatient stays to avoid abrupt cessation complications, or (e) procedures undertaken to treat a medically verifiable disorder of sexual development.

D. "Medical Staff Members" includes, but is not limited to: (a) all current and former physicians (including residents, fellows, and other trainees), advanced practice providers (e.g., physician assistants, nurse practitioners, and nurse midwives, and related trainees), nurses, pharmacists, and other health care providers and clinical personnel who provided, prescribed, ordered, or supervised items, services, or care related to the Released Claims, or assisted, aided, abetted, or participated in any way in the conduct at issue in the Covered Medical Procedures, or could have done so, while employed by or contracted with a UPMC entity or credentialed at a UPMC facility, and (b) all current and former officers, directors, employees, and agents of UPMC whose conduct related to the Covered Medical Procedures was undertaken, or could

have been undertaken, in the course and scope of their employment or agency relationship with UPMC.

E. The United States alleges that UPMC, through certain individual employees and agents, submitted or caused to be submitted claims for payment for items and services provided in connection with Covered Medical Procedures to insurance plans and payors. The United States alleges that certain of these claims for payment used diagnosis codes that failed to appropriately reflect that the items and services for which claims were submitted were provided for the purpose of Covered Medical Procedures. The United States also alleges that UPMC may have engaged in fraudulent billing practices by making gender dysphoria diagnoses and/or by billing insurance providers for “medically necessary” drugs to treat gender dysphoria where the patients did not meet the criteria for reimbursement as set by certain insurance carrier plans. Additionally, the United States has been investigating whether UPMC or certain of its agents, representatives, or employees violated provisions of the Federal Food, Drug, and Cosmetic Act: 21 U.S.C. § 301 *et seq.* (“FDCA”), 18 U.S.C. § 371, and 42 U.S.C. § 1320a-7b by: (i) causing certain drugs to be misbranded by distributing or providing to patients (or their parents or legal guardians) labeling for such drugs that was false or misleading; (ii) causing the drugs to become misbranded while held for sale because their labeling lacked adequate directions for their intended use; (iii) participating, facilitating, or otherwise conspiring with pharmaceutical manufacturers to introduce or cause the introduction of misbranded drugs into interstate commerce; and/or (iv) participating in schemes to receive remuneration from pharmaceutical manufacturers to induce the generation of business (i.e., kickback schemes) based on the off-label sales of such manufacturers’ puberty-suppressing drugs or cross-sex hormones. This conduct, taken together, constitutes the “Gender-Related Care Conduct.”

F. “Covered Medical Procedures,” including to the extent provided to an individual under nineteen (19) years of age, along with the (i) “Gender-Related Care Conduct” and (ii) “Covered Conduct” referenced in the FCA Agreement involving the United States Department of Justice, the OIG-HHS, and UPMC dated September 18, 2026 is collectively referred to as the “Covered Conduct.”

G. UPMC expressly and resoundingly denies the United States’ allegations.

H. This Agreement does not reflect a conclusion or admission that UPMC, or any other subcomponent or affiliated entity thereof, is subject to suit or liability under federal civil or criminal law and does not waive any defense that such entities may raise in any future proceeding.

III. TERMS AND CONDITIONS

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation, to protect the privacy of patient records, and in consideration of the mutual promises and obligations of this Agreement, the Parties agree and covenant as follows:

1. UPMC shall pay to the United States the sum of \$950,000 (the “Settlement Amount”), less any amount paid by UPMC to the Department of Justice in connection with the FCA Agreement involving the United States Department of Justice, the OIG-HHS, and UPMC dated September 18, 2026. The Settlement Amount shall constitute a debt immediately due and owing to the United States as of the Effective Date of this Agreement, as defined below. This debt shall be discharged by payment to the United States by electronic funds transfer pursuant to written instructions from the United States no later than 30 days after the Effective Date of this Agreement.

2. Subject to the exceptions in Paragraph III.4 (concerning excluded claims) below, and conditioned upon UPMC’s full payment of the Settlement Amount pursuant to Paragraph

III.1 of this Agreement, the United States: (a) releases UPMC, together with all of UPMC's current and former parent entities, subsidiaries, affiliates, divisions, successors, assigns, and all of their respective current and former officers, directors, employees, agents, contractors, administrative personnel, and Medical Staff Members (collectively, the "Released Parties"), from any civil, administrative, and other liability based on, or related to, the Covered Conduct; and (b) agrees not to criminally prosecute the Released Parties for any and all federal criminal charges, to include (but which are not limited to) 18 U.S.C. §§ 116, 286, 287, 371, 664, 666, 1001, 1027, 1035, 1341, 1343, 1347, 1349, and 1954; 21 U.S.C. §§ 331 and 801 *et seq.*; and 42 U.S.C. § 1320a-7b based on, or related to, the "Covered Conduct."

3. The United States agrees that: (i) it shall not use the fact that a patient, client, consumer, or other care recipient received, or could have received, medical treatment or care at any UPMC facility or from any UPMC-affiliated provider as evidence of wrongdoing or as a basis for any criminal, civil, or administrative action against any such patient, client, consumer, or other care recipient or against such person's legal guardian(s); (ii) it shall not require that, nor will, UPMC or any Released Party disclose, with respect to any patient, client, consumer, or other care recipient who received items or services related to the Covered Conduct: (a) the name, date of birth, social security number, address, or parent/guardian information; (b) any other information that is privileged or protected from disclosure by the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §§ 1320d through 1320d-9) and its implementing regulations, or any other applicable federal or state law or court orders; or (c) any other information that would be inconsistent with the Orders issued in *In re: 2025 UPMC Subpoena*, Case No. 2:25-mc-1069 (WDPA); and (iii) no patient, client, consumer, or other care recipient or

such person's legal guardian(s) shall be subject to any civil, administrative, or criminal liability arising from their receipt of items, services, or other care related to the Covered Conduct.

4. Notwithstanding the releases given in Paragraphs 2 and 3(iii) of this Agreement, or any other term of this Agreement, the following claims 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 liability under the False Claims Act, provided, however, that the False Claims Act claims arising from the Covered Conduct are the subject of the simultaneously executed Settlement Agreement between UPMC, the U.S. Department of Justice, Civil Division, and the Office of Inspector General (OIG-HHS) of the Department of Health and Human Services, which claims are addressed exclusively in that FCA Agreement;
- c) Any liability to the United States (or its agencies) for any conduct other than that relating to the Covered Conduct; and
- d) Any liability based upon obligations created by this Agreement.

5. UPMC fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that UPMC has 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 and the United States' investigation and prosecution thereof.

6. UPMC agrees to certain compliance commitments, set forth below. These compliance commitments shall take effect upon the Effective Date of this Agreement:

- a) UPMC agrees not to provide Covered Medical Procedures, whether directly or indirectly, at any facility owned, operated, or controlled by UPMC. This obligation applies regardless of the source of payment, clinical setting, or referral pathway, and includes any such services provided through employees, contractors, affiliated physicians, or third-party arrangements. A violation of this paragraph shall constitute a breach of this Agreement, subject to the notice and cure provisions of Paragraph III.12 of this Agreement. UPMC may not evade this

obligation through reclassification, relabeling, or modification of services that are substantively Covered Medical Procedures. Notwithstanding the foregoing, the prohibition in this paragraph shall not apply to (i) speech-language therapy or other voice modification services described in Paragraph II.B(d) of this Agreement, whether provided independently or in connection with a referral or (ii) ancillary or preparatory services described in Paragraph II.B(e) of this Agreement, to the extent such services are provided independently of, and not bundled with, a surgical or pharmacological Covered Medical Procedure at a UPMC facility; and

- b) UPMC will not own or operate healthcare facilities that provide Covered Medical Procedures.

7. UPMC will, by no later than one year from the date of this Agreement:

(a) implement compliance processes designed to prevent and detect violations of federal laws related to the billing practices alleged in Paragraph II.E; (b) provide training on the related terms of this Agreement; and (c) implement processes designed to ensure compliance with the related terms contained in this Agreement.

8. UPMC agrees to cooperate in good faith with any investigation by the United States involving pharmaceutical manufacturers, distributors, retailers, or any other person or entity in the distribution chain related to the distribution of medical products for Covered Medical Procedures. Upon reasonable notice, UPMC will encourage, and agrees not to impair, the cooperation of relevant employees, and shall use reasonable efforts to make available, and encourage the cooperation of, relevant former personnel for interviews, consistent with the rights and privileges of such individuals. UPMC also agrees to, upon reasonable notice, produce records of any relevant communications between its employees and pharmaceutical manufacturers related to the medical products for Covered Medical Procedures, subject to applicable laws and regulations, including relevant data privacy and national security laws and regulations, and the requirements of Paragraph 3(ii) of this Agreement.

9. To the extent that UPMC identifies conduct occurring after the date of this Agreement that violates the statutes identified in Paragraph III.2. in the context of Covered Medical Procedures, UPMC will report such conduct promptly to the Department of Justice. UPMC Children's Hospital of Pittsburgh will certify (a) annually and at the (b) End of this Agreement that this requirement has been satisfied.

10. The statute of limitations for any claims or charges relating to the conduct relevant to the Released Claims shall be tolled beginning upon the signing of this Agreement and extending until six months after the End of this Agreement.

11. If at any time before the End of this Agreement, UPMC:

- a) Commits any felony under federal law related to the Covered Medical Procedures;
- b) Provides in connection with this Agreement deliberately false, incomplete, or misleading information;
- c) Fails to cooperate as set forth in this Agreement;
- d) Fails to implement any of the compliance requirements as set forth in this Agreement; or
- e) Otherwise fails specifically to perform or to fulfill completely each of the obligations under this Agreement, regardless of whether the Government becomes aware of such a breach before the End of this Agreement,

UPMC shall thereafter be subject to the institution of proceedings for any violation of federal law for which the Government has knowledge, including violations for the Released Claims, which case must be pursued by the United States in the Western District of Pennsylvania.

12. In the event the United States determines that UPMC may have breached this Agreement, the United States agrees to provide UPMC with written notice prior to instituting any legal proceedings resulting from such breach. Within sixty (60) days of receipt of such notice, UPMC shall have the opportunity to respond to the United States in writing to explain the

nature and circumstances of the apparent breach, as well as the actions UPMC has taken to address and remediate the situation, which the United States shall consider in determining whether to pursue legal proceedings against UPMC. The United States shall not institute legal proceedings if UPMC has substantially cured the breach within the response period. The Parties agree that the determination of whether, and to what extent, a breach has occurred shall be (a) determined by a federal court in the Western District of Pennsylvania and (b) based upon a preponderance of the evidence standard.

13. In the event that the United States determines that UPMC has breached this Agreement: (i) all statements made by or on behalf of UPMC to the United States or to the Court and any testimony given by UPMC before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all legal proceedings brought by the Government against UPMC; and (b) UPMC shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the UPMC prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. In determining whether a breach has occurred, the decision as to whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, UPMC, will be imputed to UPMC for the purpose of determining whether UPMC has violated any provision of this Agreement shall be within the sole discretion of the United States.

14. Except as may otherwise be agreed by the parties in connection with a particular transaction, UPMC agrees that in the event that, at any time before the End of this Agreement, it

undertakes any change in corporate form, including if it sells, merges, or transfers business operations involving the Covered Medical Procedures, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. UPMC shall provide written notice to the Government at least thirty days prior to undertaking any such sale, merger, transfer, or other change in corporate form, including dissolution, in order to give the Government an opportunity to determine if such change in corporate form would impact the terms or obligations of this Agreement.

15. The Parties expressly agree that this Agreement is intended to be for the benefit of the United States, the Released Parties, and the individuals described in Paragraph 3(iii) only. This Agreement is binding on UPMC and the United States Department of Justice but specifically does not bind any other federal agencies, or any state, local or foreign law enforcement or regulatory agencies, or any other authorities, although the United States will bring UPMC's cooperation and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities upon request. This Agreement does not provide any protection against prosecution for any future conduct by UPMC or any of its present or former parents or subsidiaries. Nothing herein shall restrict UPMC from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the purposes of this Agreement, as determined by the Government.

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 venue for any dispute relating to this Agreement is the United States District Court for the Western District of Pennsylvania. 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 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 Parties' successors, transferees, and assigns.

23. The United States agrees that any documents, information, or testimony provided by UPMC pursuant to this Agreement shall be treated as confidential and shall not be disclosed to any third party, except as required by law or as otherwise agreed to by UPMC in writing.

24. All Parties consent to disclosure of this Agreement to the public.

25. The term of this Agreement shall expire five (5) years from the Effective Date ("End of this Agreement"), except that UPMC's obligations under Paragraph III.6 of this Agreement will terminate on the earlier of: (a) ten (10) years from the Effective Date of this Agreement; or (b) entry of a final order issued by a Pennsylvania State or federal court of competent jurisdiction that determines some or all of Paragraph III.6 is in violation of federal or

State law as to one or more Covered Medical Procedures. In the event of such an order, UPMC's obligations under Paragraph III.6 are terminated only to the extent and for the duration that such order actually requires one or more Covered Medical Procedures to be performed. For the purposes of this paragraph, a "final" order means an order from the Pennsylvania Supreme Court or United States Supreme Court either affirming an order requiring a Covered Medical Procedure, or an order from the Pennsylvania Supreme Court or United States Supreme Court denying a petition for certiorari to review such an order. The Parties may also amend the term of any provision of this Agreement by mutual consent pursuant to Paragraph III.19. The Parties agree that the same remedies for breach of the provisions in Paragraph III.6 are available to the Government as if the breach had occurred during the term of this Agreement.

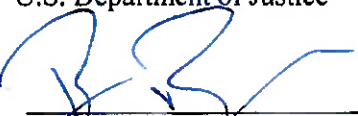
26. This Agreement is effective on the date of signature of the last signatory to the Agreement ("Effective Date of this Agreement"). Electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: 9/15/26

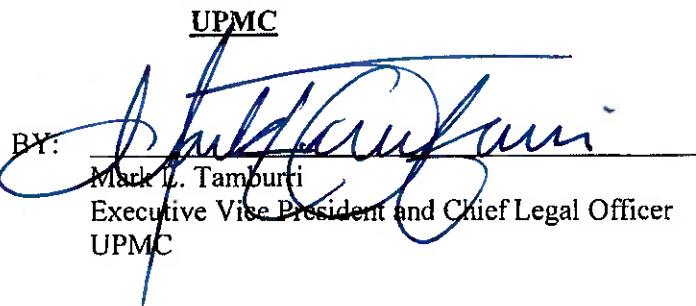
BY: 
Brett Shumate
Assistant Attorney General
Civil Division
U.S. Department of Justice

DATED: 9/15/24

BY: 
Ryan Raybould
United States Attorney
Northern District of Texas

UPMC

DATED: 9/18/26

BY: 
Mark L. Tamburri
Executive Vice President and Chief Legal Officer
UPMC

DATED: 9/18/2026

BY: 
Robert A. Zink
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