

EXECUTION VERSION

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (and as further defined in Section A(1) below, the “Agreement”) is made and entered into among (a) Centene Corporation (“Centene”) and each of its current and former subsidiaries (collectively, and as further defined in Section A(2) below, the “Centene Entities”), and (b) the State of Iowa, by and through its Attorney General (collectively, and as further defined in Section A(11) below, the “State”) (the Centene Entities and the State are collectively referred to herein as the “Parties” and separately as a “Party”). This Agreement is intended by the Parties to fully, finally and forever resolve, discharge and settle all potential claims arising from or in any way related to the pharmacy benefits and pharmacy services provided by the Centene Entities in Iowa, and as further defined in Section A(3) below as the “Covered Conduct,” during the defined time period running from January 1, 2016 to the execution of this Agreement (the “Settlement”).

RECITALS

WHEREAS, the State has been reviewing the operations of the Centene Entities and their pharmacy benefit manager, Envolve Pharmacy Solutions, Inc. (“Envolve”);

WHEREAS, the Centene Entities expressly deny liability, any wrongdoing, and/or any violation of any federal or state statute or regulation or common law;

WHEREAS, the State requires full transparency from the Centene Entities around the costs and fees associated with the pharmacy benefits and services paid for by the State;

WHEREAS, the Centene Entities recognize the importance of providing high quality and cost-effective pharmacy benefits and services to the State and the State’s need for transparency around the costs associated with those services;

WHEREAS, the Parties have investigated the facts and have analyzed the relevant legal issues regarding concerns raised during the State's review;

WHEREAS, the Parties have each considered the costs and delays associated with any continued review, and have reached an agreement to resolve any and all claims, filed, unfiled, or which could be filed by the State, arising from or in any way relating to the Centene Entities' provision of pharmacy benefits or pharmacy services in connection with any Health Care Coverage (as that term is defined in Section A(5) below) provided by Centene Entities and/or conduct that could have been alleged by the Releasers;

WHEREAS, the Parties believe the Settlement set forth herein (i) avoids the uncertainties of continued review and assures that the benefits reflected herein are obtained, and (ii) is fair, reasonable and adequate and in the best interest of the people of the State;

WHEREAS, the State and Centene Entities agree that neither this Agreement, nor any statement made in the negotiation thereof, shall be deemed or construed to be a concession as to any claim, an admission, evidence of any violation of any statute or law, evidence of any liability or wrongdoing by one or more Centene Entities or Releasees, or evidence of the truth of any of the claims or allegations made during the review; and

WHEREAS, arms-length settlement negotiations have taken place between the Centene Entities and the State.

AGREEMENT

NOW, THEREFORE, IT IS HEREBY AGREED in consideration of the promises and the mutual agreements, covenants, and provisions contained herein, and other good and valuable consideration, the sufficiency of which the Parties to this Agreement hereby acknowledge, the Parties agree as follows.

A. Definitions. As used in this Agreement, the following capitalized terms have the meanings specified below.

- (1) **“Agreement”** means this Settlement Agreement and Release, together with any exhibits attached hereto.
- (2) **“Centene Entities”** means Centene Corporation and each of its past and present subsidiary and affiliated entities and foreign corporations, companies, or limited liability entities, including but not limited to, Iowa Total Care, Inc., Celtic Insurance Company, WellCare Prescription Insurance, Inc., Centene Management Company, Envolve Pharmacy Solutions, Inc., RxAdvance (which is now known as NirvanaHealth), and WellCare Health Plans, Inc. (including each of its past and present affiliates). As used in this paragraph and A(7), **“subsidiary,” “affiliates”** and **“affiliated”** include entities directly or indirectly controlling, controlled by or under common control or ownership by and/or with any of the Centene Entities, to the extent such subsidiaries or affiliated companies’ activities relate to or supported, directly or indirectly, the Covered Conduct in Iowa.
- (3) **“Covered Conduct”** means any and all acts, conduct, omissions, events or transactions, whether known or unknown and whether discovered or undiscovered, during the period from January 1, 2016, up to and including the Effective Date, relating to the operation or delivery of, or payment for, all pharmacy benefits or pharmacy services by any of the Centene Entities as part of, or in connection with, the provision of Health Care Coverage, including, but not limited to: (i) the payment or reimbursement to or from any state departments, divisions, agencies, bureaus, plans, and programs for such pharmacy benefits or pharmacy services, including, but not limited to, any alleged mis-allocation or non-allocation of payments; (ii) the adjudication of such pharmacy benefit claims by any of the Centene Entities; and (iii) the reporting (directly or indirectly) by any of the Centene Entities to any state department or division, agency, bureau, plan, or program. Covered Conduct does not include state or federal tax reporting obligations and liabilities.
- (4) **“Effective Date”** means the date upon which all of the following have occurred: (i) the Centene Entities have executed this Agreement; and (ii) the Iowa Attorney General has executed the Agreement on behalf of the State with the requisite authority under State law necessary to bind all Releasers.
- (5) **“Health Care Coverage”** means the offering or provision of health insurance or coverage of health care services in the State by any Releasee, including but not limited to, coverage provided as part of the Medicaid managed care program, the Child Health Insurance Program, or Medicare Advantage plans.

- (6) "Parties" has the meaning ascribed to it in the opening paragraph.
- (7) "Releasee(s)" means: (i) the Centene Entities; and (ii) each of the Centene Entities' respective past, present, and future officers, board members, directors, principals, agents, servants, employees, successors, assigns, affiliates, insurers, subsidiaries, and transferees, attorneys and legal representatives, as well as the predecessors, successors, and assigns of each of the foregoing. Specifically excluded from this definition are any third-parties not related to or affiliated with the Centene Entities, including all manufacturers, distributors, or sellers of pharmaceutical products or pharmacy benefit services, as well as any non-affiliated subcontractors. (The intent of this provision is to ensure that entities unaffiliated with the Centene Entities and other Releasees are not released, even though they may have participated in the provision of pharmacy services to the health plans of the State pursuant to a contractual relationship with one or more of the Releasees.) Furthermore, this release shall not in any way prevent Centene Entities from seeking indemnification against its insurers.
- (8) "Released Claims" means any and all civil claims of any nature, including the State's state and federal statutory and common law claims, in law or equity, that could have been brought by any of the Releasers against any of the Releasees related to or arising out of in any way the Covered Conduct both known or unknown. Notwithstanding any provision of this Agreement to the contrary, the following claims are specifically reserved and not released by Releasers: (i) any criminal liability; (ii) any liability to the State for any conduct other than the Covered Conduct; (iii) any liability based upon obligations created by this Agreement; (iv) any liability for failure to deliver goods and services due; (v) any liability for personal injury arising from the Covered Conduct; (vi) any civil or administrative liability that any person or entity, including any of the Centene Entities, has or may have to individual consumers including, but not limited to, claims involving unlawful or illegal conduct based on state or federal antitrust violations or consumer protection violations and/or any payment that may be owed to any policyholders or members under any individual or group insurance policy, with the specific exception that the Releasers are releasing any claims they might bring on behalf of individuals pursuant to its *parens patriae* powers, to the extent that claims may exist. For avoidance of doubt, the Centene Entities represent and warrant that, to the extent necessary, they will work together and cooperate with any applicable Iowa regulatory agency to resolve any questions or issues such agency may raise with respect to potential liability to individual consumers or group customers. Nothing in this definition of Released Claims or in this Settlement is intended to resolve, settle or otherwise preclude any review of the Centene Entities by any Iowa regulatory agency for activity not part of the Covered Conduct. The Parties understand that if the federal government for whatever reason excludes any of the Centene Entities from participation in Medicaid, the State cannot contract with the excluded entity or entities.

- (9) "Releasor(s)" means the State as defined in Section A(11).
- (10) "Settlement Amount" has the meaning ascribed to it in Section B.2.
- (11) "State" means the State of Iowa, by and through its Attorney General, including, but not limited to, the Iowa Department of Human Services, the Iowa Insurance Division, and all other state departments, divisions, agencies, bureaus, plans, programs and/or political subdivisions of the State of Iowa (i) for which any of the Centene Entities provided any pharmacy benefit or service, (ii) which paid or reimbursed any of the Centene Entities for providing such a pharmacy benefit or pharmacy service, (iii) which have jurisdiction over such pharmacy benefit or pharmacy service provided by any of the Centene Entities, or (iv) which could have claims related to the Covered Conduct against any of the Centene Entities.

B. Settlement Amount and Other Obligations of the Parties.

- 1. Each Party will be responsible for its own costs, expenses, and attorneys' fees.
- 2. Following the Effective Date at the times and manner set forth below, the Centene Entities shall cause payments in the total aggregate amount of Forty-Four Million, Four Hundred and Fifty-Five Thousand, One Hundred and Ninety-Nine Dollars (\$44,455,199) ("Settlement Amount") to be made to the State. The Settlement Amount shall be paid in two equal installments. The installments shall be paid by wire transfer to an account of the Office of the Attorney General in the manner to be directed in writing by the Attorney General pursuant to the Notice provisions of this Agreement. The first installment shall be paid within forty-five (45) days of the Effective Date and the second installment shall be paid no later than one year following the first installment. In no event shall the aggregate total of the amounts paid pursuant to this paragraph exceed the Settlement Amount. The Centene Entities' obligation to pay each installment of the Settlement Amount shall be fully satisfied and extinguished upon completion of the wire transfer deposit of such installment into the State account as directed by the Attorney General. The Centene Entities shall have no obligation with respect to any allocation or distribution of the Settlement Amount among Releasors or their counsel.

3. It is expressly agreed by the Parties that the Settlement Amount to be paid pursuant to this Agreement fully and completely satisfies any repayment or reimbursement obligation (including any amount that may need to be paid to the federal government) of any Releasees that arise from or relate in any way to the Covered Conduct and the Released Claims that are being released pursuant to this Settlement.

4. It is expressly agreed by the Parties that this Agreement fully and completely satisfies any potential state statutory or civil penalties, liability, damages, or contractual, administrative or equitable remedies for violations of laws, including insurance laws and regulations, related to or arising out of the Covered Conduct, with the sole exception that the Iowa Insurance Division reserves the right to, if warranted, issue cease and desist notifications for any continuing statutory non-compliance and require the Centene Entities to remediate any continuing statutory non-compliance. The Parties further agree that notwithstanding the satisfaction herein of any such potential statutory or civil penalties, liability, damages, or contractual administrative or equitable remedies that could be imposed under applicable insurance laws and regulations related to or arising out of the Covered Conduct, the Agreement does not otherwise interfere with or prohibit the enforcement of insurance laws against the Centene Entities. For avoidance of doubt, the Centene Entities represent and warrant that, to the extent necessary, they will cooperate with the Iowa Insurance Division in any applicable examination.

5. The Centene Entities agree to provide to the State in a timely manner any information requested by the State to assist the State in calculating, explaining, or defending the appropriate allocation of the Settlement Amount should the federal government inquire about, take administrative action related to, or assert a claim against the Settlement Amount.

6. The Centene Entities further acknowledge an obligation to comply with the requirements of Iowa's laws when engaging in the operation or delivery of, or receiving payment for, any managed care pharmacy benefit or pharmacy service in or affecting Iowa, and agree that they will do so in the future with respect to any managed care pharmacy benefit operations they conduct in Iowa, or reports they make concerning such operations to the State or any other Releasers. Pharmacy benefits and pharmacy services shall continue to be delivered in the normal course of business pursuant to the terms of any contracts existing between the Parties as of the Effective Date. The Centene Entities have previously adopted certain business practices and agree to continue such business practices providing full transparency related to the adjudication and payment of all pharmacy benefit claims consistent with the requirements of the contracts between the Parties and applicable law, guidance, and instructions, including, but not limited to, claims level detail that identifies the exact amount paid for each pharmacy benefit or service when and where that detailed information is required to be reported.

7. For the avoidance of doubt, nothing in this Agreement shall be construed or used to prohibit the Centene Entities, or any of them, in any way whatsoever from taking legal or factual positions in litigation or other legal or administrative proceedings or from providing extrajudicial statements made in the context of such litigation or other legal or administrative proceedings.

8. Other than as set forth in this Agreement which shall be binding upon the Parties as of the Effective Date, the contracts currently existing between the Parties shall remain in full force and effect, but this paragraph is not meant to construe that the Parties are precluded from exercising their respective termination rights under the terms of the contract(s) or that the Parties are obligated to renew or enter into future contract(s). For avoidance of doubt, neither the Covered

Conduct nor anything contained in this Agreement shall be cited as a sole ground for termination of the contractual relationship(s) between the Parties.

C. Settlement of Claims and General Release. The Parties hereby agree to settle the Released Claims. On the Effective Date, Releasors hereby release the Releasees, and shall be deemed to have fully, finally, forever, and permanently released, remised, acquitted, held harmless, relinquished, and discharged with prejudice all Released Claims, and shall have covenanted not to sue any of the Releasees with respect to any such Released Claim, and shall be permanently barred and enjoined from instituting, reinstating, maintaining, commencing, or prosecuting any such Released Claim against any of the Releasees, including any administrative action related to the Released Claims, including mandatory or permissive exclusions from the State's Medicaid Program related to the Released Claims, and the releases as set forth herein shall be given full *res judicata* effect. Releasors shall be deemed to have released all Released Claims related to the Covered Conduct, including all claims of any and all state departments, divisions, agencies, bureaus, plans, or programs of the State regardless of whether any such Releasor ever seeks or obtains, by any means, any distribution under this Agreement. Releasors shall be deemed to have released all Released Claims against the Releasees that are or could have been brought by Releasors for the Covered Conduct, including the State's state and federal statutory, regulatory, and/or common law claims, in law or equity, and to the extent the State has the authority and capacity to grant such release, all *parens patriae*, sovereign, quasi-sovereign, private attorney general, *qui tam*, or taxpayer claims.

D. Waiver and Discharge of the State. In consideration of the obligations of the State set forth in this Agreement, the Centene Entities waive and discharge the State and any of its agencies, divisions, departments, and personnel, including, but not limited to, officials, employees,

and agents, whether current or former, in their official and individual capacities, from any causes of action (including attorneys' fees, costs, and expenses of every kind and however denominated) which the Centene Entities have asserted, could have asserted or may assert in the future against the State and any of its agencies, departments, divisions, and personnel as previously referenced arising from the State's review and intended prosecution of the Covered Conduct.

E. Good Faith Settlement. To the extent necessary under applicable law to extinguish claims for contribution and/or indemnity against any Releasees for the Released Claims due to a contribution or indemnity claim by a third-party based on the Covered Conduct, the Releasers further agree: (i) to obtain a determination from a court of competent jurisdiction that this Settlement is a good faith settlement; and/or (ii) reduce any judgment Releasers might recover against any person or entity other than any Releasee by release and discharge in an amount, fraction, portion, or percentage necessary under applicable law to bar, eliminate, or satisfy claims against the Releasees for contribution and/or indemnity to the fullest extent permitted by applicable law that arise from, or in any way relate to the Covered Conduct released herein.

F. Enforcement of the Agreement. Any Party may bring an action in Iowa State Court in accordance with Section I.3. to enforce the terms of the Agreement (or for a declaratory order construing any term contained in the Agreement) with respect to disputes, alleged violations, or alleged breaches. It is within the court's discretion to enter either a declaratory or enforcement order and such order is subject to appellate review.

G. No Admission of Liability. The Parties intend the Settlement as described herein to be a final and complete resolution of all disputes between them, and it shall not be deemed an admission by any Party as to the merits of any claim or defense or any allegation made, or which

could have been made, related to the review. The Centene Entities each deny any wrongdoing and any civil or criminal liability with respect to any review or inquiry by any Releasor.

H. No Other Actions. The State represents and warrants that, at the time of the execution of the Agreement, the State is not aware of any filed, anticipated, or proposed *qui tam* brought on behalf of the State or other actions against the Centene Entities alleging a violation of Iowa law related in any way to the Covered Conduct.

I. Miscellaneous Provisions.

1. **Use of Agreement as Evidence.** Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement: (i) is or may be deemed to be or may be used as an admission of, or evidence of, the Covered Conduct, or of any wrongdoing or liability of Releasees; or (ii) is or may be deemed to be or may be used as an admission of, or evidence of, any liability, fault or omission of the Releasees in any civil, criminal or administrative proceeding in any court, administrative agency or other tribunal. Neither this Agreement nor the Settlement, nor any act performed or document executed pursuant to or in furtherance of this Agreement or the Settlement, shall be admissible in any proceeding for any purpose, except to enforce the terms of the Settlement, and except that the Releasees may file this Agreement in any action for any purpose, including, but not limited to, in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

2. **Voluntary Settlement.** This Agreement was negotiated in good faith and at arms-length and the exchange of the Settlement Amount for the releases set forth herein is an exchange of reasonably equivalent value.

3. **Resolution of Disputes.** Any disputes between or among the Centene Entities and the State (or their counsel) concerning matters regarding the Agreement shall, if they cannot be resolved by negotiation and agreement in the first instance, be referred to the Iowa District Court for Polk County for resolution. Prior to any referral to the Courts, any dispute must first be raised in a written notice that meets the requirements of Section I.5 below. Within 30 days of the written notice, the Parties must begin engaging in good faith negotiations. Within 30 days of the written notice, during any subsequent period of good faith negotiations, any applicable limitation period related to the dispute shall be tolled. In the event good faith negotiations do not begin within 30 days of the written notice, either Party may refer the matter to the Iowa District Court for Polk County for resolution. No filing with the Courts can occur prior to at least 30 days after delivery of written notice as specified in this paragraph.

4. **Authorization to Enter Agreement.** The undersigned representatives of the Centene Entities represent and warrant that they are fully authorized to enter into and to execute this Agreement on behalf of Centene Corporation and each of its subsidiaries and affiliates. The Centene Entities have the power and authority to enter into and perform this Agreement, and the execution and performance of this Agreement has been duly authorized by all requisite corporate or other legal action. The Iowa Attorney General, on behalf of the State, represents and warrants that he is expressly authorized by the State and all state departments, divisions, agencies, bureaus, plans, or programs of the State, including Iowa Department of Human Services and the Iowa Insurance Division, to take all action required or permitted to be taken pursuant to this Agreement to effectuate its terms and to enter into and execute this Agreement binding upon all Releasors.

5. **Notices.** All notices to counsel under this Agreement shall be in writing. Each such notice shall be given by (i) e-mail or (ii) registered or certified mail, return receipt requested,

postage pre-paid; and shall be addressed to counsel at their addresses set forth on the signature page hereof. In the event counsel for the Centene Entities changes, the Centene Entities will provide prompt notice to the Iowa Attorney General of the contact information of new counsel to whom notices under this Agreement should be sent.

6. **Tax.** All amounts paid (or actions taken) by Centene pursuant to this Agreement are for restitution or to come into compliance with the law within the meaning of those terms under 26 U.S.C. section 162(f) and Treas. Reg. § 1.162-21. No portion of any amount paid under this agreement constitutes a fine, penalty, punitive damages, disgorgement of profits beyond restitution, or an amount paid in settlement of any claim for any of the foregoing. The State takes no position on Centene's tax treatment of the Settlement Amount.

7. **Binding Agreement.** This Agreement shall constitute a final resolution upon the Effective Date. This Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Parties.

8. **Confidentiality.** The terms of the Agreement will remain confidential until such time as the Effective Date. Nothing herein prevents the Parties from disclosing the terms of the Settlement to those necessary in connection with normal business reporting practices and to obtain the necessary authority to execute the Agreement.

9. **Choice of Law.** Any dispute arising from or in connection with the completion and execution of the Agreement shall be governed by Iowa law without regard to its choice of law provisions.

10. **No Conflict Intended.** The headings used in this Agreement are intended for the convenience of the reader only and shall not affect the meaning or interpretation of this Agreement.

Further, where the context so requires, terms used in the singular in this Agreement shall be deemed to include the plural and vice versa.

11. No Party Deemed to be the Drafter. None of the Parties hereto shall be deemed to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

12. Amendment; Waiver. This Agreement shall not be modified in any respect except by a writing executed by all the Parties hereto, and the waiver of any rights conferred hereunder shall be effective only if made by written instrument of the waiving Party. The waiver by any Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent or contemporaneous, of this Agreement.

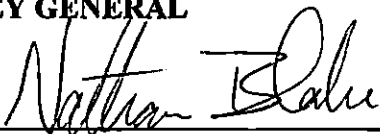
13. Execution in Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument. Counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts and a complete set of executed counterparts shall have the same force as a fully executed original Agreement. The Parties agree that this Agreement and any other documents to be delivered in connection herewith may be electronically signed, and any electronic signatures appearing on this Agreement or such other documents are the same as handwritten signatures for the purposes of validity, enforceability, and admissibility.

14. Integrated Agreement. This Agreement constitutes the entire agreement between the Parties and no representations, warranties or inducements have been made to any Party concerning this Agreement other than the representations, warranties and covenants contained and memorialized herein.

IN WITNESS WHEREOF, the State of Iowa, including but not limited to, the Iowa Department of Human Services and the Iowa Insurance Division, and all Releasors, has executed this Agreement as of the date indicated below.

THE STATE OF IOWA, including but not limited to the IOWA DEPARTMENT OF HUMAN SERVICES and the IOWA INSURANCE DIVISION

ATTORNEY GENERAL

By: 

Date: 12/14/22

Nathan Blake
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E-mail: nathan.blake@ag.iowa.gov

IN WITNESS WHEREOF, the Centene Entities have executed this Settlement

Agreement and Release as of the date indicated below.

CENTENE CORPORATION, on behalf of itself and each of its subsidiaries, including but not limited to, Iowa Total Care, Inc., Celtic Insurance Company, WellCare Prescription Insurance, Inc., Centene Management Company, Envolve Pharmacy Solutions, Inc., RxAdvance (which is now known as NirvanaHealth), and WellCare Health Plans, Inc.

By: 

Date: 12/2/2022

Printed Name: Chris Koster

Title: EVP, Secretary and General Counsel

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Executive Vice President, Secretary and General Counsel
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