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IMMEDIATE RELEASE

UNITED STATES OBTAINS RECORD-SETTING $54,000,000 RECOVERY AGAINST TENET HEALTHCARE CORPORATION BASED ON ALLEGED UNNECESSARY CARDIAC PROCEDURES AND SURGERIES PERFORMED AT REDDING MEDICAL CENTER.

SACRAMENTO– United States Attorney McGregor W. Scott announced today that his office has recovered a record-setting $54,000,000 against Redding Medical Center (RMC), Tenet Healthcare Corporation and Tenet HealthSystems Hospitals, Inc. (hereafter collectively "Defendants"). The settlement is part of an on-going criminal and civil investigation of alleged unnecessary cardiac procedures and surgeries (hereafter collectively "cardiac procedures") at RMC.

The civil settlement does not limit the government's criminal or civil investigation of any individuals; as part of the settlement, Defendants have agreed to cooperate with the government in the investigation.

Defendants will pay to the United States $54,000,000 to settle allegations that unnecessary cardiac procedures were performed at RMC between January 1, 1997, and December 31, 2002, and then billed to the Medicare, Medicaid and TRICARE programs. The $54,000,000 covers procedures performed only on Medicare, Medicaid and TRICARE patients on whose behalf the United States paid funds to Defendants.

The settlement represents the largest recovery in the history of the United States Department of Justice in a case alleging lack of medical necessity, the so-called "medical necessity fraud," which include cases involving allegations of unnecessary procedures, tests, lab studies, surgeries and similar conduct.

According to United States Attorney Scott, "This settlement accomplishes two critical objectives. It safeguards taxpayer dollars by recovering substantial funds for the Medicare, Medicaid, and TRICARE programs. As importantly, RMC will establish proposals for future cardiac procedures to insure that patients receive only that care which is medically required."

According to Assistant U.S. Attorney Michael A. Hirst, who prosecuted the civil case, the settlement will cover allegations that Defendants' billings were fraudulent under the False

Claims Act, which includes provisions for treble damages and penalties.

Under the terms of the settlement, Defendants also agree to implement significant changes at the hospital to ensure that no future unnecessary procedures will be performed. These include:

- Twice yearly for the next three years random audits of cardiology procedures will be performed by outside experts consisting of board certified physicians who do not practice at RMC;
- Each audit will generate a written report that will be provided to the United States Attorney's Office;
- Specified training for three years will be provided on peer review and informed consent for all physicians who practice at RMC;
- Reports of training and attendees will be provided to the United States; and
- Defendants will create a position for a new, full-time employee who will serve for at least three years to direct compliance and training at RMC.

In addition, the Department of Health and Human Services will continue its investigation to determine whether to exclude Defendants from further participation in Medicare, Medicaid and other federal health programs.

Defendants will not face further civil liability from the government for the alleged unnecessary cardiac procedures performed at RMC from January 1, 1997 to December 31, 2002, and no criminal charges will be brought by the United States Attorney for the Eastern District of California against Defendants for that alleged conduct. Defendants do not admit liability in the settlement, and the settlement should not be construed as any evidence of criminal, civil or administrative liability of any individuals.

The case investigation continues through lead agencies the Federal Bureau of Investigation (FBI), the Department of Health and Human Services (HHS), and the Defense Criminal Investigative Service (DCIS).

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