

Exhibit A
Civ. No. 93-452 (TSC)

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

<p>OSCAR SALAZAR, et al.,</p> <p>Plaintiffs,</p> <p>v.</p> <p>DISTRICT OF COLUMBIA, et al.,</p> <p>Defendants.</p>	<p>Civil Action No. 93-452 (TSC)</p>
---	---

SETTLEMENT AGREEMENT

I. Preamble and Rationale

1. The *Salazar* lawsuit and resulting Court Orders, including the Settlement Order [663] and related Orders such as the Blood Lead Testing Order [928], Dental Order [1033], and Reimbursement Order [1082], have been in effect for more than 25 years and have governed and supported fundamental changes in the operation of the District of Columbia’s (“the District’s”) Medicaid program and specifically, the Early and Periodic Screening, Diagnostic, and Treatment services (EPSDT) benefit.

2. Over this period, the District’s performance has been monitored by a Court-appointed monitor, the District has provided regular periodic reporting to Plaintiffs and the Court, and certain provisions in the Settlement Order have been vacated. *See* Feb. 24, 2009 Minute Order (granting the District’s consent motion to vacate Sections II and IV of Settlement Order); Oct. 18, 2013 Am. Mem. Op. and Order [1886], p. 11 (granting District’s motion to terminate Section III). The Parties now agree to the following actions and commitments to facilitate the District’s exit from Court oversight in this case.

II. Settlement Terms

3. The District will take the following actions within six (6) months of the Effective Date, unless a longer timeframe is specified:

A. Revisions to the District of Columbia’s Periodicity Schedule

4. The District agrees to ensure that the DC Medicaid HealthCheck Periodicity Schedule is revised as needed to reflect the currently applicable guidance, as set forth below. If the applicable District law or federal requirements change, the District will update the Periodicity Schedule to reflect that change. If new guidance is issued, the District will consider the guidance and make any appropriate updates to the Periodicity Schedule. All changes to the Periodicity Schedule are reviewed by the DC Chapter of the American Academy of Pediatrics.

1. Fluoride Varnish Requirements

5. The U.S. Preventive Services Task Force (USPSTF) recommends that primary care clinicians apply fluoride varnish to the primary teeth of all infants and children starting at age of primary tooth eruption up to age five. *See* [link to guidance]. Once teeth are present, fluoride varnish must be applied to all children every three to six months in the primary care or dental office based on caries risk. Indications for fluoride use are noted in “Fluoride Use in Caries Prevention in the Primary Care Setting.” Fluoride varnish should be applied two times per year and up to four times per year, depending on patient risk for caries. DC Medicaid covers fluoride varnish applied by primary care clinicians for children under three years old. To bill for fluoride varnish application for children under 3 years old, use CPT code 99188.

2. Lead Testing Requirements

6. Blood lead level testing (a BLL screening test) is a required part of a well-child visit at 12 months and 24 months of age for all children eligible for DC Medicaid. District law requires a BLL screening test for all children between 6 months and 14 months of age and another BLL screening test between 22 months and 26 months of age. District law requires immediate reporting by laboratories and providers to DC Health of any child with an elevated BLL at or above 3.5 µg/dL. Timely reporting of elevated BLL’s allows DC Health to promptly offer case management and risk mitigation assistance. The provider’s report must be made either to DC Health’s secure fax line at (202) 535-2607 or by telephone to DC Health’s¹ Childhood Lead Poisoning Prevention Program at (202) 481-3837. Providers are also able to access laboratory results, including BLL screening status and the results for each child with whom they have a treatment relationship through the Designated DC Health Information Exchange (HIE), CRISP DC, which receives automatic data feeds from the DC Lead Registry. Providers are able to access a dedicated population health analytics dashboard in the HIE, which allows them to view the percentage of all children within their practice two years of age or older who had one or more capillary or venous lead blood tests indicating lead poisoning. Providers are able to access CRISP DC through its web-based portal or through single sign-on within their electronic health record system. For children at risk of lead exposure, see “Prevention of Childhood Lead Toxicity” and “Low Level Lead Exposure Harms Children: A Renewed Call for Primary Prevention.”

7. Between the ages of 36 months and 72 months, children enrolled in Medicaid must receive a blood lead test if they have not previously been tested twice for blood lead levels. Unless the provider has evidence of the child’s receipt of two blood lead tests, blood lead testing must be performed. The obligation continues until the child reaches age 21 if assessment during a screen causes the provider to suspect lead poisoning.

B. Publish a Regulation for Reimbursement of Out-of-Pocket Expenses

8. The District agrees to formalize in a regulation the procedures for Medicaid beneficiaries to request reimbursement for out-of-pocket expenses incurred for medically necessary services, supplies, or equipment that DC Medicaid should have covered, as outlined in

¹ This function was until recently carried out by the DC Department of Energy & Environment.

the Reimbursement Procedures Order of September 15, 1997 [550], the Order of July 30, 1998 [617], the Order of September 28, 1988 [625], and the 2005 Stipulated Order Establishing Reimbursement Procedures for Medicaid Beneficiaries Enrolled with a District of Columbia Managed Care Organization [1082]. The District agrees to extend the time frame to submit a request for reimbursement from six months to one year. The regulation will be subject to the District's rulemaking process, including legal sufficiency review, publication of the intended regulation in the DC Register, and notice and public comment. The regulations will apply to all DC Medicaid beneficiaries.

9. The proposed regulation is scheduled to be published in the D.C. Register on October 31, 2025. The District agrees to inform Plaintiffs of the proposed notice within three (3) business days of publication in the DC Register and to consider in good faith any comments to the proposed regulation submitted by Plaintiffs.

1. Initial Notice of Regulations on Reimbursement

10. Within thirty (30) calendar days after the adoption of the regulation, the District will post on the Department of Health Care Finance's (DHCF) website information about the new regulation, including the one-year period to submit reimbursement requests, and how to submit a request for reimbursement. The District will also require the managed care plans (MCPs), within thirty (30) calendar days after adoption of the regulation, to post similar information about the new regulation and the process for their beneficiaries to seek reimbursement on each of their websites. The District will also require each MCP to notify their beneficiaries of the right to seek reimbursement under the regulations, either by text, email, or inclusion in the next newsletter sent to all enrollees. Information about reimbursement and a citation to the regulation will be part of the MCP enrollment package.

2. Reimbursement Form

11. The District will develop a modified Medicaid Reimbursement Form in paper and fillable electronic versions, that includes the one-year period for submitting reimbursement requests and will make the form available in English and other languages as required by the Language Access Act of 2004. The Form will include instructions for submission, including completion of a W-9 form, as well as contact information for legal services providers and representatives of DHCF and each of the MCPs in the event a beneficiary needs assistance.

3. Notice

12. In addition to the initial notice after the regulation is adopted in Paragraph II.B.1 above, the District agrees to: (1) issue an annual transmittal on the procedures to obtain reimbursement for out-of-pocket expenses; (2) include information on reimbursement procedures in the fee-for-service handbook and require information on reimbursement procedures be included in each MCP enrollment handbook; (3) post information about the right to seek out-of-pocket reimbursement and how to submit a request on DHCF's website and require the MCPs to post information about the process for their beneficiaries to seek reimbursement on each of their websites; and (4) notify Medicaid beneficiaries annually of the right to seek reimbursement under the regulations, either by text, email, or inclusion in a newsletter.

4. Monitoring

13. The District agrees to track and monitor MCP compliance with the decision and payment timelines in the reimbursement regulations by tracking when requests: (1) are submitted to DHCF; (2) are submitted to MCPs; (3) are transmitted from DHCF to MCPs; and (4) are denied or approved, including when payments or partial payments are issued. Beginning 12 months after the regulation takes effect, the District agrees to publicize on the MCP Performance Dashboard (or the District's Managed Care webpage, if the MCP Performance Dashboard is not completed) once per year, the number and percentage of decisions issued timely and the percentage of payments issued timely under the regulation by each MCP.

C. Request a Blood Lead Testing Point-of-Care Billing Code

14. The District will submit a written request to the DHCF internal committee for coverage and pricing that a separate billing code for point-of-care lead testing be added to the District's fee schedule. Specifically, the District agrees to submit the DC Department of Health Care Finance Request for Determination of Coverage and Pricing form, and all supporting materials, to the DHCF Coverage Determination Committee explaining why the billing code should be added. Nothing in this provision shall be interpreted to mean that the District is required to create a new blood lead testing point-of-care billing code. Rather, the District has agreed to submit a request for such a billing code.

D. Oversight of Timely Access to and Availability of MCP Provider Network

15. MCPs are required to conduct internal MCP access and availability audits to validate access to individual providers within their networks. Beginning within 6 months of the Effective Date, the District agrees to collect and monitor the results of the audits specific to children's access to providers and appointments on a semi-annual basis to ensure compliance with its appointment wait time standards. The Parties agree that, as part of the Settlement Agreement, the District is not required to make the MCP audits, or the results of its monitoring, publicly available unless that information is subject to production under the District's Freedom of Information Act or included in a metric in the MCP Child-Health Focused Annual Report Card.

16. In addition, the District, through its External Quality Review Organization (EQRO), conducts and publishes the results of surveys that measure MCP compliance with timeliness standards for routine pediatric appointments. In 2024, all four MCPs received a score of over 92% for timely access to pediatric routine appointments (obtaining an EPSDT screening within 30 days), with two MCPs scoring 100%. The District agrees to require any MCP that falls below 90% compliance with the access to pediatric routine appointment measure, as reported in the Annual Technical Report (ATR), to develop and implement a corrective action plan.

III. Additional Settlement Terms

A. Creation of a Child-Health Focused Subcommittee Within the Medical Care Advisory Committee (MCAC)²

17. Within 12 months of the Effective Date, the District will create a child-health focused subcommittee within MCAC, with an emphasis on Medicaid-beneficiary participation. Specifically, DHCF leadership will draft a proposal and request the creation of the subcommittee by MCAC's Chair, per the MCAC bylaws. The proposal will require that the subcommittee discuss major proposed changes to EPSDT policies both before and after they take effect and provide a venue to receive input and feedback from MCAC members and the public. DHCF will then identify a staff liaison to work with the subcommittee chair to plan meetings, and the staff liaison will also attend all subcommittee meetings. The District further agrees to the following:

1. Subcommittee Meetings and Attendance

18. The District agrees to host at least six subcommittee meetings per year. For clarity, that means that in the second year of the settlement term (from October 31, 2026, to October 31, 2027), the District agrees to host at least six subcommittee meetings. DHCF leadership (defined as the State Medicaid Director or Administration Managers) will attend at least three meetings of the Subcommittee each year. The District will take the following actions to ensure that there is an effective feedback loop between beneficiary members and the District:

- Include in the subcommittee's mission statement the belief that beneficiary member engagement is a critical component of the subcommittee's work and that subcommittee meetings should include sufficient time for meaningful beneficiary-member feedback.
- Ensure that a recurring item on the agenda for every meeting is follow-up from prior meetings on how beneficiary input was considered and used or not. Information about the availability of the stipend and how to request it from the Fiscal Agent will also be on the agenda for every meeting.
- Identify a DHCF employee as the point of contact for beneficiary members who wish to raise concerns regarding whether meaningful time is being allotted for beneficiary feedback or whether the District is considering the feedback in good faith. The DHCF employee or their designee will also provide to the Fiscal Agent the names and, if available, contact information of the attendees at each meeting.

19. Further, the District agrees to make notes from the subcommittee meeting publicly available through posting on the DHCF website.

² MCAC will soon be renamed the Medicaid Advisory Committee (MAC) and Beneficiary Advisory Council (BAC).

2. Subcommittee Consultation

20. The District will consult with, and report to, the subcommittee at least once per year on DHCF's Managed Care Quality Strategy and the ATR, with a focus on EPSDT-specific topics and issues, including, as appropriate, EPSDT accountability metrics, value-based purchasing (VBP) and child-health focused quality measure performance. This will include an opportunity for the subcommittee to learn what the District is doing, and to provide input and feedback on proposed changes relevant to the EPSDT population. The District will also consult with the subcommittee at least once per year on any planned or proposed changes to the child-focused metrics on the EPSDT Managed Care Plan Report Card. Finally, the District will report once per year on any EPSDT-related work plans and/or corrective action plans (CAPs) that are required of the MCPs, provide annual updates about performance on EPSDT-related CAPs, and will report on an annual basis the number of EPSDT-related compliance actions per plan, with a brief description of the EPSDT-related issues addressed in the compliance action (e.g., participant ratio improvement).

3. Stipend for Medicaid Beneficiary Participation in Child Health Subcommittee Meetings

21. The *Salazar* Escrow Fund will provide \$10,000 to fund stipends for Medicaid beneficiaries who attend child-health focused subcommittee meetings. The stipends will be in the amount of \$75 per member per subcommittee meeting and will be administered by the Fiscal Agent as described in Exhibit 1. The Fiscal Agent will administer the stipends until June 30, 2028. By June 30, 2028, or when the escrow funds are depleted, whichever comes sooner, the District agrees to consider in good faith, taking into consideration the budget conditions, whether to continue to offer stipends to Medicaid beneficiaries who attend child-health focused subcommittee meetings. If any portion of the \$10,000 is unspent as of June 30, 2028, it shall be distributed as part of the Escrow Fund Grants to Child-Serving Organizations described in paragraph 48 below.

B. MCP Child-Health Focused Annual Report Card

22. The District will create and publish an annual MCP Child-Health Focused Report Card ("Report Card") that provides relevant and timely information designed to assist families in selecting the MCP that will best serve their needs. The Report Card will include a comparison of the available MCPs' performances on the seven child-health specific Measures listed below. Beginning in 2027, the Report Card will also include information about the availability of the MCP Performance Dashboard, where families can find the Sources of Data set forth in the table below for each Measure in the Report Card as well as additional information on the performance of each MCP on other child-specific metrics, with an accompanying web address and/or QR code.

23. The first MCP Child-Health Focused Report Card will be published by June 1, 2026. The HEDIS and CAHPS measures utilized in the annual Report Card will be those associated with the measurement year reflected in the Report Card.

1. Child-Health Specific Measures

24. The District agrees that the Report Card will include the following seven child-health specific measures in the three identified categories:

Measures	Sources of Data
Access to Care	
Children and teens are able to get routine care promptly (within 30 days)	DHCF standard, as defined and reported in the EQRO Report.
Children and teens are able to get urgent care promptly (available 24 hours, 7 days a week)	Pediatric urgent care appointment compliance as reported in the EQRO Report.
Children and teens are able to get regular dental preventive care	Core Set: Oral Evaluation (OEV-CH); Topical Fluoride for Children (TFL-CH); Sealants on Perm. First Molar (SFM-CH)
Staying Healthy	
Keeping babies and toddlers healthy	Core Set: Well-Child Visits in the First 30 Months of Life (W30-CH)
Checking babies and toddlers for exposure to lead	Core Set: Lead Screening in Children (LSC-CH)
Keeping children and teens healthy	Core Set: Child and Adolescent Well-Care Visits (WCV-CH).
Common Chronic Conditions	
Care for Children with Chronic Illness	Access to Prescription Medicines (Question mean) (CAHPS)
	Access to Specialized Services: Special Medical Equipment or Devices (composite mean) (CAHPS)
	Family Centered Care: Personal Doctor or Nurse Who Knows Child (“Yes” composite global proportion) (CAHPS)
	Family Centered Care: Getting Needed Information (question mean) (CAHPS)
	Coordination of Care for Children With Chronic Conditions (“Yes” composite global proportion) (CAHPS)
	(AMR) Asthma Medication Ratio (5 years – 11 years) (HEDIS)
	(ADD) Follow-up Care for Children Prescribed ADHD Medication (Initiation Rate) (HEDIS)

2. Notice

25. The District agrees to post the Report Card annually on the DHCF website and to require each MCP to post the Report Card annually on its respective website. The District will also provide the Report Card annually to current beneficiaries with the open enrollment packet, either by mail, email, or text message.

C. Medicaid Managed Care Plan Webpage and Performance Dashboard

26. Within six (6) months of the Effective Date, the District will establish a DHCF webpage that will:

- (1) Provide a brief explanation of the District’s managed care program, including an explanation of how the District delivers services (FFS, managed care), a list of all MCPs, and a link to each MCP’s contract.
- (2) Centralize the agency’s data reports that include information on managed care, with the goal of making them more accessible. These include the Managed Care Organization External Quality Review Annual Technical Reports, CMS 416s (District-wide and MCP-specific), Medicaid Enrollment Reports (as available), Medicaid MCP Report Cards, the Managed Care Program Annual Report, the Medicaid Managed Care Quality Strategy, and the annual report on Value Based Purchasing. Updated reports are anticipated to be posted on the website by the dates below. In the event any data or report is delayed in being finalized and made publicly available, the District will provide Plaintiffs with notice of the anticipated delay and a projected date for posting on the webpage.
 - Managed Care Organization External Quality Review Annual Technical Reports: annually by June 1
 - CMS 416s (District-wide and MCP-specific): annually by June 1
 - Medicaid Managed Care Report Card: annually by June 1
 - Medicaid Managed Care Quality Strategy: within 30 days of CMS approval of the 2028–2031 Medicaid Managed Care Quality Strategy
 - Managed Care Annual Report: within 30 days of availability
 - Value Based Purchasing Program Report: annually by September 30

27. Within 12 months of the Effective Date, the District will publish an MCP Performance Dashboard that displays, at a minimum, annual data on the child-health specific performance measures and child-specific Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey results reported in the District’s annual EQRO ATR, the CHIPRA Child Core Set, and the participant ratio reported on each MCP’s CMS Form 416 Report.³ In addition, the District will include data on the two following metrics, as they relate to children up to age 21: (1) the percentage of timely prior authorization decisions by MCP, pursuant to applicable District law, *see* D.C. Code § 31.3875.03; and (2) the percentage of grievances that are resolved timely, by MCP, pursuant to 42 C.F.R. § 438.408. The District will also publish annual data on the MCPs’ performance in meeting the target goals set for each of the selected child-health metrics in the

³ The participant ratio is defined as “the extent to which the number of eligible[] [beneficiaries] who should be screened during the year receive[s] at least one initial or periodic screening service.” *See* CMS State Medicaid Manual § 5360(B). In other words, the percentage of Medicaid-eligible children and adolescents up to age 21 who should be screened by a medical provider for overall health during the year receive at least one such initial or periodic screening service.

Value Based Purchasing program, when the data is available. The District anticipates the VBP data will be available to publish by September 30, 2028.

28. The data on the MCP Performance Dashboard will compare each MCP to the other MCPs in the District, and where national data is available, to the national average, and will be designed with the goal of making the data understandable and accessible. A link to the MCP Performance Dashboard will be included on the DHCF webpage described in paragraph 26.

D. Value-Based Purchasing

29. Beginning in Calendar Year 2026, the District agrees to implement and oversee a District-guided value-based purchasing (VBP) program. The VBP program will include three priority domains: pediatrics, maternal health, and primary/preventive care. For pediatric services, the District will require each MCP to develop and implement VBP agreements with pediatric providers in their respective networks for a selection of developmental, preventive, and dental services.

30. Although the District will not mandate the specific measures that MCPs and providers include in their VBP agreements, the District will recommend that the agreements include pediatric measures from the following measure subcategories and each pediatric VBP agreement must include at least one measure from each of the following:

- **Well Child Visits and Developmental Screenings:** National Committee for Quality Assurance (NCQA)
- **Preventive Services (including lead testing and immunizations):** NCQA
- **Preventive and Diagnostic Dental Services:** Dental Quality Alliance

31. Calendar Year 2026 will focus on quality standardization through the gathering of baseline data on the measures, providing technical assistance and support to MCPs and providers, and ensuring data validity for measure quality reporting in future years. The District will work with its actuary to determine and set improvement targets for the MCPs across their participation in the District's VBP program.

32. In Calendar Year 2027, the District will begin tracking the adoption and style⁴ of VBP arrangements between the MCPs and their provider networks and monitoring performance. Using this information, the District will refine clinical quality improvement goals associated with the priority domains and quality measures using data compared against the program's year one baseline. For example, the District may decide to modify the recommended measure or the target for improvement.

33. The District will publish an annual report reflective of the prior year's VBP program and outcomes, expected to be released in the third quarter of the following year. The first

⁴ See LAN APM framework categories - Oregon Health Leadership Council, <https://vbptoolkit.ohlc.org/lan-apm-framework-categories/>.

report on calendar year 2026 will be available by September 30, 2027, and will include but will not be limited to information on:

- The number of VBP arrangements across the District's Managed Care Program;
- The number of providers and provider organizations engaged in VBP arrangements with the District's Medicaid Managed Care Program;
- The level and type of risk assumed by providers in existing VBP arrangements, defined by the Health Care Payment Learning and Action Network;
- The quality measures selected by the MCPs for their VBP arrangements;
- The total value of payments made by MCPs to providers, if any, divided by plan; and
- An overview of participating provider and MCP feedback.

34. The District's VBP program is expected to be implemented over a five-year period. Implementation changes caused by unforeseen circumstances or changes in the District's Medicaid Managed Care Program will be reported as they are available and will be summarized in the District's annual report on the VBP program.

IV. Escrow Funds

35. The *Salazar* Escrow Fund has a balance of \$735,474.84, as of October 29, 2025. The Parties agree to utilize the remaining monies in the *Salazar* Escrow Fund as outlined in paragraph 21 above and paragraphs 36–48 below.

36. The Parties agree that the National Health Law Program (NHLP) shall be the Fiscal Agent to administer and make distributions of the escrow funds. The responsibilities of the Fiscal Agent are set forth in Exhibit 1 hereto. The Fiscal Agent shall receive a 15 percent administrative fee, based on the amount of funds distributed, for performing these duties.

37. Prior to the Motion for Final Approval, and no later than December 1, 2025, the Parties will jointly seek an Order of the Court directing a payment of the balance of the *Salazar* Escrow Fund that is on deposit in an account maintained by the Clerk of the United States District Court for the District of Columbia be paid to NHLP as Fiscal Agent for purposes of payment for the Stipends for Medicaid Beneficiary Participation in Child-Health Subcommittee Meetings, the EPSDT Child Health Advisory Experts, a Participant-Directed Services Study, and Grants to Child Serving Organizations for work described in paragraphs 21 above and 40–49 below.

38. The Parties agree that any remaining funds not expended for the EPSDT Child Health Advisory Experts, including the Participant-Directed Services Study project, or the Stipend for MCAC Beneficiary Member Participation, will be distributed by the Fiscal Agent as Escrow Fund Grants to Child-Serving Organizations, as described in paragraphs 45–48 below.

A. EPSDT Child Health Advisory Experts

39. The Parties agree to use up to \$200,000 from the *Salazar* Escrow Fund on the work of two child health subject matter experts, Sara Rosenbaum and Kay Johnson, to assist the District,

for a 12-month period, to improve the EPSDT services benefit with particular attention to preventive care via well child visits (also known as EPSDT “screens”) and more intensive services for children with special health care needs (e.g., home-based and personal care services). This amount is based on the proposed budget in the Scope of Work (Exhibit 2 hereto) and an added fifteen (15) percent administrative fee and ten (10) percent contingency amount.

40. In partnership with the Parties, the child health experts will conduct an environmental scan of the health care landscape for children covered by Medicaid, including models and best practices; a review and analysis of data provided by the District of trends in the receipt of well-child visits, developmental screenings, vaccinations, and other key child health care quality metrics; and a review of strategies described by CMS guidance to State Health Officials 24-05, to determine which EPSDT best practices might be relevant in the District. The work will also consider ongoing strategies in the District, including the Managed Care Quality Strategy, Value Based Purchasing agreements, and other quality improvement measures. As part of their work, the child health experts will collect information from Medicaid beneficiaries, managed care plans, and key providers, through focus groups, interviews, and attendance at (at least) two child health focused MCAC Subcommittee meetings, if possible. The scope of work, staff, proposed schedule, and expected deliverables are attached in Exhibit 2.

41. The work will begin on or about December 1, 2025, and conclude within 12 months, on or about November 30, 2026, unless an extension is requested by the child health experts and the Parties agree on such an extension. The child health experts will prepare and present a final report to the Parties, with final recommendations for action and interim reports memoranda as needed.

42. The District agrees to work in good faith with the child health experts, to provide access to requested District data and staff, to facilitate engagement with beneficiaries, providers and MCPs, and to consider proposed recommendations for implementation.

B. Participant-Directed Services Study

43. The Parties agree to use approximately \$100,000 in the *Salazar* Escrow Fund to be expended by a mutually agreeable organization, recommended by the EPSDT Child Health Advisory Experts, to complete a participant-directed services study, no later than June 1, 2027. The study will review programs that other state Medicaid agencies have implemented to provide for participant-directed services for children; what options are available to states to implement participant-directed services; and what, if any, special considerations the District would need to consider before implementing a participant-directed services program for children. As part of this process, the study will include a review of: (1) how participant-directed services have been used for medically fragile children in other states, particularly regarding implementation under medically fragile 1915c authorities, including development and implementation timeframes; (2) potential implications for implementing an exclusive Child and Adolescent Supplementary Security Income Program model to provide participant-directed services; (3) options to handle the requirements for participant-directed workers, including potential restrictions on the involvement of “legally responsible adults”; (4) the initial implementation process of participant-directed services programs; and (5) budget implications.

44. Parties agree that the final report will be public. Either party may file the final report on the *Salazar* docket. The report's findings will also be presented to the MCAC. The District agrees to consider the findings of the study in good faith but nothing in this provision should be interpreted as a commitment to implement any specific findings.

C. Escrow Fund Grants to Child-Serving Organizations

45. The Parties agree to use the remaining approximately \$338,000 of the *Salazar* Penalties Escrow Fund for organizational grants ("Escrow Fund Grants") for projects benefiting the Plaintiff class. The Escrow Fund Grants will request proposals from the following organizations:

1. Children's Law Center
2. DC Children's Advocacy Center
3. Catholic Charities
4. Advocates for Justice in Education
5. DC Legal Aid Society
6. Latin American Youth Center
7. Bread for the City
8. Community of Hope
9. La Clinica del Pueblo
10. Unity Health Care, Inc.
11. Mary's Center for Maternal & Child Care, Inc.
12. Whitman Walker Clinic
13. Elaine Ellis Center of Health
14. Family and Medical Counseling Services

46. The Request for Proposals, attached as Exhibit 3, describes the desired scope of work, the budget, and applicable timelines for the submission of a proposal to the Parties. The scope of work will be limited to the five purposes described below, with individual project budgets for one-year grants ranging from \$50,000 to \$200,000.

- (a) Programs targeted at addressing unmet needs of DC Medicaid-eligible children and adolescents that prevent them from fully accessing their health care services;
- (b) Programs to support and/or expand the District's Medicaid-eligible child and adolescent-serving healthcare workforce, including but not limited to providers of mental health and home health services, such as investments in training, equipment and technological capacity, and staff recruitment and retention;
- (c) Programs targeted at educating and empowering parents and caregivers of DC Medicaid-eligible children and adolescents on health-related topics such as, the importance of annual well-child visits, dental care, immunizations, and how to advocate with Managed Care Plans and/or through a Medicaid fair hearing to obtain the services needed by their child;
- (d) Programs or initiatives led by providers working at Federally Qualified Health Centers (FQHCs), FQHC provider organizations, or practice trade

groups representing FQHCs to improve the delivery and quality of health services provided to the DC Medicaid-eligible children and adolescents.

- (e) Programs targeted at educating and empowering parents and caregivers of DC Medicaid-eligible children and adolescents about how to maintain DC Medicaid coverage during implementation of changes to the federal Medicaid program set forth in H.R. 1, including work requirements and more frequent eligibility verification requirements.

47. Organizations will have thirty (30) days from receipt of the Parties' request to submit proposals according to the request's guidelines. The Parties will then have ten (10) days to discuss the proposals and agree on grants, unless the Parties mutually agree to extend the period. NHeLP will not participate in the decision-making concerning the award of grants. The Parties will decide by consensus on which proposal(s) to fund. If the Parties do not come to an agreement on all proposals, then a new round of proposals will be solicited to expend the remaining funds. This process will continue until there is agreement by the Parties. If no proposals are received, the Parties may take any or all of the following actions: (1) provide additional time to the listed organizations to submit a proposal; (2) expand the list of organizations; or (3) consult with the experts retained for recommended uses of the fund.

48. The goal of the Parties is to expend all *Salazar* escrow funds prior the Expiration of the Settlement Agreement. Because there are likely to be funds remaining in the escrow account after the first round of proposals are awarded, a second and third round of proposals will be requested six (6) months, and again at twelve (12) months if necessary, after the initial request for proposals is sent to the notice list of organizations, limited to the same scope of work and following the process described above. If there are no remaining funds, or the Parties agree that a subsequent round of proposals is not necessary, then the Parties agree that those funds should be disbursed to one of the Federally Qualified Health Centers (FQHCs), as agreed to by the Parties, for a purpose that improves children's health care in the District and consistent with the five items in the scope of work set forth herein. The Parties agree that even if funds remain with the Fiscal Agent on the Expiration Date, the Agreement will still expire on that date.

V. Memorializing Continuing Obligations from the Settlement Order

49. The District agrees to continue the following activities from the Settlement Order:
- A. Send annual EPSDT and dental brochures to beneficiaries;
 - B. Monitor beneficiary outreach by the MCPs, including collection of data currently in the HealthCheck Outreach quarterly report submitted to the Court, *see, e.g.*, Outreach Report [2477];
 - C. Issue three child-health-related transmittals each year to Medicaid providers, addressing blood lead testing, dental services, and one subject of the District's choosing;

- D. Require the MCPs to submit annual CMS 416-specific data to DHCF and to publish such data on the Managed Care Plan Webpage, MCP Performance Dashboard, or other publicly available DHCF website;
- E. Require training of pediatric providers at least every three years regarding the EPSDT benefit; and
- F. Maintain a dental periodicity schedule which complies with the schedules for children under age 21 recommended by the American Dental Association and the American Academy of Pediatric Dentistry.

VI. Termination of the Settlement Order

50. The Parties agree that the commitments in this Settlement Agreement are meant to replace the District's obligations under the Settlement Order and agree to jointly request that the Court vacate the Settlement Order and all related orders upon Final Approval of this Agreement, as outlined in Section VII below.

VII. Term of the Settlement Agreement

A. Term

51. The Settlement Agreement will expire on October 31, 2027 ("the Expiration Date"), two years after the Effective Date (the date the Agreement is fully executed). However, if, prior to the Expiration Date, a party has moved for relief alleging breach of the Settlement Agreement, and that motion remains pending on the Expiration Date, the Parties agree that the Expiration Date does not affect the Court's jurisdiction to adjudicate the pending motion(s), order appropriate relief, and, if relief is granted, ensure compliance with any resulting order(s). With the exception of motions to enforce the Settlement Agreement that are pending on the Expiration Date, motions to enforce any court orders related to those pending motions, or related motions for an award of litigation costs, including attorneys' fees, the Parties agree that no motion to enforce any Settlement Agreement provisions can be filed in Court after the Expiration Date.

B. Retention of Jurisdiction

52. The Parties agree to request that the District Court retain jurisdiction through the Expiration Date, and any further necessary period to complete the adjudication of any pending motions as outlined in Section VII.A above, to resolve any motions alleging breach of contract related to the Settlement Agreement, and to adjudicate any such motion(s) pending prior to or at the Expiration Date of the Settlement Agreement, including to order appropriate relief which may include an award of litigation costs, including attorneys' fees, and, if relief is granted, to ensure compliance with any resulting order(s). The Parties agree that the Court cannot modify or extend the terms of the Settlement Agreement past the Expiration Date without the written consent of Plaintiffs and the District.

C. Periodic Reporting to Plaintiffs on the District's Compliance with Settlement Agreement

53. During the two-year term of the Settlement Agreement, the District will submit five reports to Plaintiffs' Counsel. Any party may file the reports with the Court. The reports will be due at the following intervals: four months after the Effective Date, eight months after the Effective Date, 12 months after the Effective Date, 18 months after the Effective Date, and 24 months after the Effective Date. Each report shall document (with accompanying evidence) the District's compliance with the requirements in the Settlement Agreement by the agreed upon deadlines and any obligations that continue after the initial compliance deadline. The District will not be required to report on provisions for which the compliance deadline has not yet passed. The Parties agree to meet and discuss in good faith any questions from Plaintiffs about the compliance reports.

VIII. Dispute Resolution of Issues Arising Under the Settlement Agreement

54. During the Effective Period of the Agreement, any party claiming a dispute under this Agreement must provide written notice to the other party describing the dispute and stating the factual and legal basis for the allegation, and what resolution the party is seeking. The Parties will meet and confer with the Mediators, if they are available, and attempt to negotiate a resolution of the claim for a period of 14 calendar days, which may be extended by agreement of the Parties. "Mediators" means the mediators assigned to this case by the United States Court of Appeals for the District of Columbia Circuit Mediation Program.

55. If no resolution is reached within the 14-day period or any extension thereof, any party may seek relief from the Court after first notifying the other Party in writing of the intention to seek such relief.

IX. Procedures For Class Settlement Approval

A. Preliminary Approval

56. The Parties agree to take all reasonable steps to ensure that this Settlement Agreement is approved by the Court and becomes effective. Specifically, within 30 days of full execution by all Parties, the Parties shall, through a joint motion, (1) file the Agreement with the Court, (2) move for Preliminary Approval of this Agreement, and (3) request entry by the Court, on the earliest date acceptable to the Court, of the Proposed Order Granting Motion for Preliminary Approval of Class Settlement, Directing Issuance of Settlement Notice, and Scheduling a Hearing on Final Approval.

B. Notice to Class Members

57. The Parties agree to jointly request that Court approve the Class Notice attached as Exhibit 4 (in both English and Spanish) and that, upon the Court's approval, the Class Notice be placed on the Court's website (www.dcd.uscourts.gov/cases-interest) by the Clerk of the Court and that the Clerk enter in the docket for this case the date upon which that Notice was placed on the website. In addition, Plaintiffs' counsel and DHCF must post the Class Notice on their respective websites within ten days of its approval. The District further agrees to publish notice of

the Class Notice, with a link to the Class Notice, once in The Washington Informer and once in El Tiempo Latino and to notify the following client-serving non-profit organizations of the Class Notice by mail:

- University Legal Services – Disability Rights DC
- Center for Children and Families at Georgetown University
- DC Chapter of the American Academy of Pediatrics
- Children’s Law Center
- DC Children’s Advocacy Center
- Legal Aid Society of DC.

58. Finally, the District will provide notice of the Class Notice by email or text to class members for whom the District and the MCPs have contact information. The District will provide to Plaintiffs the language of the email or texts for their review and will consider in good faith any comments and edits from Plaintiffs’ counsel. The District will also issue a transmittal to healthcare providers informing them of the proposed settlement agreement and providing a link to the Class Notice.

59. The District will bear all costs for publication of the Class Notice and translation of the Class Notice into Spanish.

60. At least fourteen (14) days before the Fairness Hearing, counsel for the District and Plaintiffs shall jointly submit a report to the Court setting forth the manner by which they disseminated the Class Notice consistent with this Settlement Agreement.

C. Fairness Hearing

61. The Parties shall jointly request that the Court schedule and conduct a Fairness Hearing to address the fairness of the Settlement Agreement and the Parties’ request that the Court vacate the Settlement Order [663] and all related and ancillary orders. The Parties will request that the Fairness Hearing take place no earlier than 60 days after the date by which notice is given to the Plaintiff class. At least ten (10) days prior to the Fairness Hearing, the Parties shall jointly move for final approval of the Agreement and to vacate the Settlement Order and all related and ancillary orders.

62. The Parties agree to move for an Order stating that all objections and requests to be heard shall be submitted to the Court and counsel for the Parties in writing at least fourteen (14) days before the Fairness Hearing.

63. The District’s agreement to be bound by the terms in the Settlement Agreement is contingent upon the Court vacating the Settlement Order and all related and ancillary orders upon Final Approval of the Settlement Agreement after the Fairness Hearing.

X. Monitoring and Assistance to Individuals and Related Plaintiffs' Attorney's Fees and Expenses

A. Attorney's Fees and Costs Prior to Vacation of the Settlement Order

64. Until the Court's final approval of the Settlement Agreement and vacation of the Settlement Order, Plaintiffs' counsel will continue to monitor the District's compliance with the Settlement Order [663] and all related Orders, including assisting callers and providing legal assistance to individual class members, pursuant to paragraphs 64 and 65 of the Settlement Order [663]. Plaintiffs will submit their reasonable time and expenses to the District pursuant to paragraph 67, as modified by Order of March 19, 2013 [1801]. The Parties will continue to comply with the process and deadlines set forth in paragraph 67. In the event that the Settlement Agreement is approved prior to the completion of a quarter, Plaintiffs may not bill for work completed after Final Approval, but may submit their attorneys' fees and expenses to the District up to 90 days after the last day of work performed pursuant to the Settlement Order [663], and move for attorney's fees for such work after Final Approval and vacation of the Settlement Order and all related Orders. The District will continue to compensate Plaintiffs' counsel for reasonable time and expenses spent on this work at the rates applicable in paragraphs 64–65 of the Settlement Order [663]. After vacation of the Settlement Order, the Court retains jurisdiction to adjudicate motions submitted under this paragraph.

65. Plaintiffs' counsel will not seek compensation for any assistance provided to individual class members or any other work pursuant to the Settlement Order or any related Orders for work performed after the date that the Court vacates the Settlement Order and all related Orders.

B. Monitoring Fees After Vacation of the Settlement Order

66. The District agrees to pay Plaintiffs \$70,000 for any and all monitoring work to be undertaken during the Effective Period of this Settlement Agreement. The payment will be made within 60 days of the Court's Final Approval of the Agreement. Plaintiffs agree not to seek further litigation costs, including attorneys' fees, for monitoring work, including any time spent engaging in the dispute resolution process under Section VIII, undertaken during the term of this Settlement Agreement.

XI. Attorney's Fees and Expenses for Enforcement of the Settlement Agreement

67. Plaintiffs reserve the right to seek litigation costs, including attorneys' fees, in connection with any enforcement motion filed in Court after the date of Final Court Approval on which they are entitled to all or part of their fees in accordance with applicable law under 42 U.S.C. §1988, provided that Plaintiffs comply with the dispute resolution provisions. Plaintiffs shall not be entitled to seek fees on any motion that is denied by the Court, or for which they are not granted any relief, unless that motion is settled in their favor or, as a result of its filing, the District voluntarily or unilaterally changes its position on the matter that is the subject of the motion.

XII. Dismissal with Prejudice

68. The Parties shall file a Stipulation of Dismissal of the case with prejudice within fifteen calendar (15) days of the Expiration Date of the Settlement Agreement if there are no pending motions to enforce the Settlement Agreement as set forth in Section VII.A. above or motions for attorneys' fees or expenses under Section X above. If there is such a motion(s) pending on the Expiration Date, the Parties shall file a Stipulation of Dismissal of the case with prejudice within fifteen (15) calendar days of (a) the Court finding Plaintiffs are not entitled to any relief on such motion(s), or (b) in the event Court-ordered relief is provided to Plaintiffs, the Court finding that the District has fully complied with all Court-ordered relief, or (c) upon joint agreement by the Parties. In the event that there are multiple pending motions, the Stipulation of Dismissal of the case with prejudice shall be filed within fifteen (15) days of the latest event specified in (a) or (b) above.

XIII. Miscellaneous Provisions

69. This Settlement Agreement does not and is not intended to create any rights that can be relied upon or enforced by individuals who are not Parties to it. The Parties stipulate, agree, and acknowledge that this Settlement Agreement is not intended to create any third-party beneficiaries.

70. This Agreement shall be applicable to, and binding upon, the Parties and their respective employees, agents, and contractors.

71. Nothing in this Agreement shall be construed as an admission of liability, duty, or wrongdoing by Defendants or an admission that any policy, practice, or procedure of the District or its employees, agents, and contractors, in any way violated federal or District of Columbia law.

72. The provisions of this Settlement Agreement shall be severable in the event that any provision is found to be invalid or unenforceable. The invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions herein.

73. This Agreement represents the entire agreement between the Parties concerning the matters set forth and supersedes all prior discussions, negotiations, understandings, and agreements between the Parties relating to the subject matter of this Agreement, whether oral or written.

74. This Agreement shall be construed without regard to any presumption or other rule of law requiring construction against the party who drafted it.

75. This Settlement Agreement may only be modified by mutual agreement of the Parties, and such modification to the agreement must be in writing, duly and properly signed by all Parties, and shall not be effective until approved by the Court.

76. The undersigned representatives of the Parties certify that they are fully authorized to enter into and to execute the terms and conditions of this Settlement Agreement and to make

such Settlement Agreement fully and legally binding upon and enforceable against every individual or entity on whose behalf they have executed this Settlement Agreement.

77. This Agreement may be executed in counterparts by the respective Parties and shall become effective immediately following execution by all Parties.

In reliance upon the representations contained herein, and in consideration of the mutual promises, covenants, and obligations in this Settlement Agreement, and for good and valuable consideration, Plaintiffs and Defendants, through their undersigned counsel, agree and stipulate to the foregoing.

AGREED by the Parties this 31st day of October 2025.

BRIAN L. SCHWALB
Attorney General for the District
of Columbia

CHAD COPELAND
Deputy Attorney General
Civil Litigation Division

Fernando Amarillas

FERNANDO AMARILLAS [974858]
Assistant Deputy Attorney General
Civil Litigation Division

Honey Morton

HONEY MORTON [1019878]
Assistant Chief, Equity Section

HELEN M. RAVE [90003876]
Assistant Attorney General
400 Sixth Street, N.W., Suite 10100
Washington, D.C. 20001
(202) 735-7520
helen.rave@dc.gov

*Counsel for Defendants the District
of Columbia, et al.*

/s/ Zenia Sanchez Fuentes

KATHLEEN L. MILLIAN, DC Bar 412350
ZENIA SANCHEZ FUENTES, DC Bar 500036
MOLLY BERNSTEIN, DC Bar 90025167
Terris, Pravlik & Millian, LLP
1816 12th Street, NW, Suite 303
Washington, DC 20009-4422
(202) 204-8484

JANE PERKINS
NATIONAL HEALTH LAW PROGRAM
1512 E. Franklin Street, Suite 110
Chapel Hill, NC 27514
(919) 968-6308

Counsel for Plaintiffs

TABLE OF EXHIBITS TO THE SETTLEMENT AGREEMENT

Exhibit No.	Description
1	Fiscal Agent Responsibilities
2	Scope of Work for EPSDT Child Health Advisory Experts
3	Request for Proposals for Escrow Fund Grants to Child-Serving Organizations
4	Draft Form of Notice to the Class in both English and Spanish