



PRESS RELEASE

AG Frosh: Prime Contractor for Maryland Health Benefit Exchange Web Site to Repay State \$45 Million
State recoups majority of funds paid to vendor who helped build broken system

Baltimore, MD (July 21, 2015) - Attorney General Brian E. Frosh today announced that the prime contractor hired to build Maryland's flawed health exchange web site will pay \$45 million to avoid legal action over its performance.

Noridian Healthcare Solutions LLC has agreed to pay \$20 million upfront, and an additional \$25 million in annual installments of \$5 million over five years. The payments represent a recovery of 61 percent of the total paid to the company for the failed web site development and launch in 2013.

"This company never delivered on what it promised, and, as a result, tens of millions of taxpayer dollars were wasted, and thousands of Marylanders suffered delays and frustration," Attorney General Frosh said. "This settlement sends a message that the performance was unacceptable, and that those responsible will be held accountable."

The agreement, which is subject to regulatory approvals, will lead to the recovery of funds for both Maryland and the federal Centers for Medicare and Medicaid Services, which provided significant funding to develop the exchange.

Frosh said the settlement represents a fair deal for taxpayers, because of limitations on Noridian Healthcare Solutions' ability to pay. "Given constraints on the company's finances, it is doubtful that Maryland could have collected this amount from Noridian Healthcare even if it obtained an equal or higher judgment after years of litigation," Attorney General Frosh said.

Noridian Healthcare Solutions' parent company has agreed to guarantee at least \$40 million of the settlement payment. The settlement agreement also releases Maryland from all contractual obligations with Noridian Healthcare Solutions.

Investigation of claims against other companies involved in the development and implementation of the Maryland exchange is continuing.

Attorney General Frosh thanked assistant attorneys general Matthew Fader and Sarah Rice for their work on the matter.