



## PRESS RELEASE

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### **Attorney General Frosh Announces Settlement with IBM to Settle False Claims Act Allegations Related to the Maryland Health Benefit Exchange**

**BALTIMORE, MD (June 14, 2019)** – Maryland Attorney General Brian E. Frosh today announced that International Business Machines Corporation (IBM) and Cúram Software have agreed to pay a total of \$14.8 million to Maryland and to the United States to settle alleged violations of the False Claims Act. [The settlement](#) resolves allegations against Cúram-IBM regarding material misrepresentations made to the State of Maryland during the State’s Health Insurance Exchange (HIX) contract procurement process, including misrepresentations regarding the development status of the Cúram for Health Care Reform software; the existing functionality of the Cúram software to meet the State’s requirements; and the integration of Cúram software with other software needed to provide a properly functioning HIX website. Maryland’s share of the settlement is \$2.8 million.

In October 2011, the State of Maryland issued an RFP to procure a system to develop the State’s online health insurance exchange. In December 2011, Noridian Administrative Services (Noridian) submitted a proposal that included Cúram, as a subcontractor to provide software and services. On the same day the proposal was submitted, IBM completed its acquisition of Cúram. As part of the bid evaluation process and with IBM’s knowledge, Cúram participated in a presentation to the State of Maryland that illustrated Cúram software conducting eligibility determinations for health assistance coverage, calculating applicable tax credits, addressing changes in life events (e.g. changes in income), and illustrating the integration of Cúram’s software with another subcontractor’s health plan shopping software. Subsequently, Noridian presented a clarification letter to the state, drafted in part by Cúram, making further statements supporting their ability to satisfy the requirements of the RFP. In February 2012, the State awarded the contract to Noridian. In October 2013, after repeated problems following the launch of the HIX website, Maryland terminated the Noridian contract and replaced the HIX website and IT platform, including the Cúram software.

“These companies failed to deliver what they promised,” said Attorney General Frosh. “Their misrepresentations led to the frustrating delays and errors experienced by consumers in the initial open enrollment period of the Health Benefit Exchange. Marylanders were stymied in their efforts to sign up for health insurance, and millions of taxpayer dollars were wasted.”

Attorney General Frosh [announced a \\$45 million settlement with Noridian in July 2015](#) to avoid legal action over its performance.

In making today's announcement, Attorney General Frosh thanked the U.S. Attorney's Office for the District of Maryland and the Department of Health and Human Services Office of Inspector General for their assistance in the investigation. Attorney General Frosh also thanked Assistant Attorney General Sarah Rice for her work on the case.