

Sanford Leaders,

Today, the U.S. Department of Justice and Sanford Health announced a settlement regarding a 2016 matter with former Sanford physician, Dr. Wilson Asfora.

The news of this settlement is now public, and it's likely that local media will report on it. Your colleagues, family and friends may also ask you about it. So it's important to me that you know the facts of this matter and why we chose to settle.

- The case concerned allegations about Dr. Asfora, who was a physician employed at Sanford from 2007 until 2019, and his business practices concerning medical devices that he invented, owned and sold.
- The amount of this settlement includes monies the Government paid Sanford for claims submitted associated with Dr. Asfora's devices during the relevant time period. More importantly, the \$20 million is far less than the unnecessary costs and operational disruption that would have persisted for multiple years had we not settled, not to mention potential harm to our brand and reputation.
- Sanford denies any liability or wrongdoing with respect to this matter. We also deny that any of the procedures performed by Dr. Asfora at Sanford Health were medically unnecessary. As we previously shared with you, the South Dakota Board of Medical Examiners looked at dozens of Dr. Asfora's cases and took no action.
- This matter relates to our employment of Dr. Asfora and his business practices. As you know, Sanford took these allegations seriously, including suspending the use and purchase of Dr. Asfora's devices. We then severed our relationship with him, based solely on his business practices – not his medical care. We are confident that Sanford acted appropriately and in good faith in the conduct of this matter, and we believe collaborating with the federal government on this settlement was in the best interest of our patients.
- We continue to stand behind the care that Dr. Asfora provided to his patients, and we fully support our providers in determining what is best for their patients. We also want to reiterate our support for providers as they bring innovative interventions to patients and communities.
- Ensuring a robust culture and program of compliance is of utmost importance to Sanford, our leaders and more than 50,000 employees. We view this as an opportunity to make our compliance program even stronger. I'd like to remind you and all our employees of our anonymous, enterprise-wide compliance hotline at 800-325-9402, to which any compliance related concerns can be reported.

Thank you for your support in this matter, and for your willingness to share these facts with your staff members, families and friends. We rely on each of you to uphold our mission of health and healing here at Sanford.

Matt Hocks
Chief Operating Officer