

January 31, 2017

Ms. Elizabeth Fischmann  
Associate General Counsel for Ethics  
Designated Agency Ethics Official  
U.S. Department of Health and Human Services  
Room 710-E, Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Ms. Fischmann:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Administrator, Centers for Medicare and Medicaid Services (CMS), U.S. Department of Health and Human Services.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter in which I know that I have a financial interest directly and predictably affected by the matter, or in which I know that a person whose interests are imputed to me has a financial interest directly and predictably affected by the matter, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Upon confirmation, I will resign from my position with SVC Inc. I will divest my financial interest in SVC Inc. within 90 days of my confirmation. I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of this entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). During my appointment as Administrator, I will not provide any services to SVC Inc., except to the extent that I may need to comply with any requirements involving legal filings, taxes, fees or similar matters relating to divesting my financial interests in SVC Inc. or winding it down. For a period of one year after I divest my financial interest in SVC Inc., I will not participate personally and substantially in any particular matter involving specific parties in which I know SVC Inc. or the purchaser of SVC Inc. is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). In addition, I will not participate personally and substantially in any particular matter involving specific parties in which I know a former client of mine is a party or represents a party, for a period of one year after I last provided service to that client, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d). Until I have received full payment from the purchaser for the sale of SVC Inc., I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the ability or willingness of the purchaser to make full payment to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

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I provided consulting services to the States of Arkansas, Indiana, Iowa, Kentucky, Ohio, South Carolina, and Virginia through SVC Inc. Pursuant to 5 C.F.R. § 2635.502(d), I will seek a written authorization to participate personally and substantially in particular matters involving specific parties in which I know the States of Arkansas, Indiana, Iowa, Kentucky, Ohio, South Carolina, and Virginia are a party or represents a party.

Additionally, following my appointment, my spouse and I will divest our interests in the following entities within 90 days of my confirmation:

Alphabet Inc. Class A  
Alphabet Inc. Class C  
Biogen Inc.  
Columbia Seligman Communications & Information Fund  
Credit Suisse SPSIOP Index Market Linked Note (MLZKV)  
Exxon Mobile Corp.  
Fidelity Canada Fund  
General Electric  
Halliburton Company  
International Business Machines Corp.  
Johnson and Johnson  
McDonalds Corp.  
Merck & Company, Inc.  
Oracle Corp.  
Procter and Gamble Co.  
Schlumberger Limited  
Spectra Energy Corp.  
Travelers Companies Inc.  
Unilever PLC New ADR  
Vanguard Energy Fund

With regard to each of these entities, I will not participate personally and substantially in any particular matter that to my knowledge has a direct and predictable effect on the financial interests of the entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2).

I understand that I may be eligible to request a Certificate of Divestiture for qualifying assets and that a Certificate of Divestiture is effective only if obtained prior to divestiture. Regardless of whether I receive a Certificate of Divestiture, I will ensure that all divestitures discussed in this agreement occur within the agreed upon timeframes and that all proceeds are invested in non-conflicting assets.

My spouse practices medicine as a psychiatrist with the Indiana Health Group, Indianapolis, Indiana. Additionally, he holds a financial interest in the Indiana Health Group. As Administrator, I will not participate personally and substantially in any particular matter that to my knowledge has a

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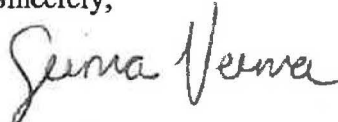
direct and predictable effect on the financial interests of the Indiana Health Group, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

In order to avoid potential conflicts of interest during my appointment as Administrator, I, my spouse, or any minor children of mine will not acquire any direct financial interest in entities listed on the FDA prohibited holdings list or in entities involved, directly or through subsidiaries, in the following industries: (1) research, development, manufacture, distribution, or sale of pharmaceutical, biotechnology, or medical devices, equipment, preparations, treatment, or products; (2) veterinary products; (3) healthcare management or delivery; (4) health, disability, or workers compensation insurance or related services; (5) food and/or beverage production, processing or distribution; (6) communications media; (7) computer hardware, computer software, and related internet technologies; (8) wireless communications; (9) social sciences and economic research organizations; (10) energy or utilities; (11) commercial airlines, railroads, shiplines, and cargo carriers; or (12) sector mutual funds that concentrate their portfolios on one country other than the United States. In addition, we will not acquire any interests in sector mutual funds that concentrate in any of these sectors.

I have been advised that this ethics agreement will be posted publicly, consistent with 5 U.S.C. § 552, on the website of the U.S. Office of Government Ethics with ethics agreements of other Presidential nominees who file public financial disclosure reports.

I understand that as an appointee I will be required to sign the Ethics Pledge required under the Executive Order dated January 28, 2017 ("Ethics Commitments by Executive Branch Appointees") and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this ethics agreement.

Sincerely,

A handwritten signature in dark ink, appearing to read "Seema Verma", written in a cursive style.

Seema Verma