

May. 14. 2014 7:13PM

No. 1081 P. 9/41

**HELTON LAW GROUP**  
**A PROFESSIONAL CORPORATION**  
 CARRIE MCLAIN (State Bar No. 181674)  
 KIM WOROBEK (State Bar No. 220035)  
 ATTORNEYS AT LAW  
 7711 Center Avenue, Suite 350  
 Huntington Beach, California 92647  
 TELEPHONE: (562) 901-4499  
 FACSIMILE: (562) 901-4488

**FILED**  
 Superior Court of California  
 County of Los Angeles

MAY 15 2014

Sherri R. Carter, Executive Officer/Clerk  
 By Dawn Alexander Deputy  
 Dawn Alexander

ATTORNEYS FOR UNIVERSITY OF SOUTHERN CALIFORNIA  
 on behalf of its KECK HOSPITAL OF USC

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

UNIVERSITY OF SOUTHERN  
 CALIFORNIA, a California  
 Corporation, on behalf of its KECK  
 HOSPITAL OF USC,

Plaintiff,

vs.

KAISER FOUNDATION HEALTH PLAN, INC.,  
 A California Corporation; KAISER  
 FOUNDATION HOSPITALS, a California  
 Corporation; THE PERMANENTE MEDICAL  
 GROUP, INC. dba SOUTHERN CALIFORNIA  
 PERMANENTE MEDICAL GROUP and DOES 1  
 through 25, Inclusive,

Defendants.

Case No.:

**BC545469**

ASSIGNED TO:

DEPT.:

UNLIMITED - DAMAGES IN EXCESS OF \$25,000

**COMPLAINT FOR DAMAGES FOR:**

1. INTENTIONAL FRAUD
2. FRAUD AND DECEIT - SUPPRESSION OF FACTS
3. NEGLIGENT MISREPRESENTATION
4. PROMISSORY ESTOPPEL
5. ESTOPPEL
6. ESTOPPEL BY CONCEALMENT
7. UNJUST ENRICHMENT
8. QUANTUM MERUIT
9. BREACH OF WRITTEN CONTRACT
10. BREACH OF WRITTEN CONTRACT AS THIRD PARTY BENEFICIARY
11. OPEN BOOK ACCOUNT
12. CIVIL CONSPIRACY
13. BREACH OF IMPLIED-IN-FACT CONTRACT

TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:

**GENERAL ALLEGATIONS**

1. Plaintiff UNIVERSITY OF SOUTHERN CALIFORNIA on behalf of its KECK  
 HOSPITAL OF USC ("the Hospital" or "Keck") is a California corporation doing business in

CIT/CASE: BC545469  
 LER/DEF#:

RECEIPT #: CCH481620028  
 DATE PAID: 05/15/14 05:34 PM  
 PAYMENT: \$435.00  
 CHECK: \$435.00  
 CASH: \$0.00  
 CHANGE: \$0.00  
 BRD: \$0.00

May. 14. 2014 7:13PM

No. 1081 P. 10/41

1 California. The Hospital operates the Keck Hospital of USC, formerly known as USC University  
2 Hospital, which is a California licensed acute-care facility located in the City of Los Angeles, County  
3 of Los Angeles. The services that Keck provided and upon which this Complaint is based were  
4 rendered within this judicial district.

5 2. Defendant KAISER FOUNDATION HEALTH PLAN, INC. ("KFHP") is a California  
6 Corporation, organized and existing under the laws of the State of California with its principal place of  
7 business in the city of Oakland, County of Alameda, in the State of California.

8 3. Defendant KAISER FOUNDATION HOSPITALS ("Kaiser Hospitals") is a California  
9 Corporation, organized and existing under the laws of the State of California with its principal place of  
10 business in the city of Oakland, County of Alameda, in the State of California.

11 4. THE PERMANENTE MEDICAL GROUP, INC. dba SOUTHERN CALIFORNIA  
12 PERMANENTE MEDICAL GROUP ("PMG") is a California Corporation, organized and existing  
13 under the laws of the State of California with its principal place of business in the city of Oakland,  
14 County of Alameda, in the State of California.

15 5. Keck is unaware of the true names, identities, and capacities of Defendants sued herein  
16 as Does 1 through 25, inclusive, and each of them as based thereon, sues said Defendants by such  
17 fictitious names. When their true names and capacities are ascertained, Plaintiff will amend this  
18 complaint by inserting their true names and capacities herein. Keck is informed and believes and  
19 thereon alleges that each of the fictitiously named defendants is responsible in some manner for the  
20 occurrences alleged herein, and that Keck's damages as alleged herein were proximately caused by  
21 those defendants.

22 6. Keck is informed and believes and thereon alleges that at all times mentioned herein,  
23 each of the Defendants, including all Defendants sued under fictitious names, were the agent and/or  
24 employee of each of the remaining Defendants, and in so doing the things alleged herein, were acting  
25 within the scope of his or her agency and employment.

26 7. Keck is withholding the full name of the patient (the "Patient") referred to in this  
27 Complaint to preserve the Patient's protected rights to privacy concerning health care information.  
28 The Patient's name has been and will be made available to Defendants upon request.

May. 14. 2014 7:13PM

No. 1081 -P. 11/41

1 8. Venue is proper in Los Angeles County because, Keck is informed and believes, that  
2 the tortious conduct alleged herein occurred in this County.

3  
4 **ALLEGATIONS AS TO DEFENDANTS**

5 9. Keck is informed and believes that KFHP, Kaiser Hospitals and PMG are affiliates of  
6 each other and/or are otherwise related corporate entities, and that the entities, cooperate in the  
7 conduct of the health care program commonly known as the "Kaiser Permanente Medical Care  
8 Program" ("Kaiser").

9 10. Keck is informed and believes that KFHP is a health care services plan licensed with  
10 the California Department of Managed Health Care and, thus, is subject to the Knox-Keene Act and  
11 related regulations on such health care services plans.

12 11. Keck is informed and believes that KFHP provides health care coverage to Kaiser  
13 members, including the Patient at issue in this case.

14 12. Keck is informed and believes that Kaiser Hospitals owns and operates medical  
15 facilities, including acute care hospitals.

16 13. Keck is informed and believes the following allegations: PMG employs physicians,  
17 nurses and other medical personnel that provide medical care at Kaiser Hospitals. PMG also employs  
18 the physicians who serve as medical directors and physician advisors, nurse case managers and other  
19 personnel that conduct case management, discharge planning and utilization review for Kaiser  
20 members on behalf of KFHP.

21 14. Keck is informed and believes the following allegations: In operating the Kaiser  
22 Permanente Medical Care Program, KFHP, Kaiser Hospitals and PMG operate an "integrated system."  
23 That is, as a cost-control measure to benefit KFHP, Kaiser Hospitals and PMG individually, they  
24 endeavor to provide medical care to Kaiser members through physicians and other medical personnel  
25 employed by PMG at hospitals owned and operated by Kaiser Hospitals. KFHP, Kaiser Hospitals and  
26 PMG regularly share staff, such that individuals either are employed by PMG, KFHP and Kaiser  
27 Hospitals simultaneously, and/or are employees of one (for example, PMG) that act as the authorized  
28

May. 14. 2014 7:13PM

No. 1081 P. 12/41

1 agent for the other Kaiser entities (for example, KFHP and Kaiser Hospitals), all while working on  
2 behalf of "Kaiser" or "Kaiser Permanente" on behalf of all Kaiser entities.

3 15. On occasion, KFHP, Kaiser Hospitals and PMG need to send a Kaiser member to non-  
4 Kaiser hospitals, including Keck, for a higher level of care.

5  
6 **ALLEGATIONS AS TO THE PATIENT CLAIM AT ISSUE**

7 16. Keck is informed and believes the allegations set forth in the following Paragraphs 17  
8 through 46.

9 17. In September and October 2013, the Patient was an inpatient at the intensive care unit  
10 ("ICU") of Kaiser Permanente Los Angeles Medical Center (referred to as "Kaiser-Sunset").

11 18. Kaiser-Sunset is owned and operated by Kaiser Hospitals.

12 19. While the Patient was an inpatient at Kaiser-Sunset, Kaiser physicians diagnosed the  
13 Patient with the medical condition mitral valve regurgitation that they determined required open heart  
14 surgery for a mitral valve replacement.

15 20. Kaiser-Sunset has the ability to perform open heart surgery for a mitral valve  
16 replacement for the Patient's condition.

17 21. However, in 2013, the Patient was a member of a Kaiser health maintenance  
18 organization ("HMO") plan that has limited benefits of only \$75,000 per year. When Kaiser  
19 physicians identified that the Patient needed open heart surgery for a mitral valve replacement, the  
20 Patient already had exhausted his annual benefit limit. All additional care the Patient required would  
21 not be covered under the Patient's KFHP policy and instead would be uncompensated.

22 22. Defendants agreed upon a plan to transfer the Patient to a non-Kaiser hospital.

23 23. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized  
24 representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of  
25 the Patient. Although Keck's information and records evidence that this call occurred, Keck does not  
26 know the name of the individuals who took part in the call on behalf of either Keck or Defendants.  
27 However, this information is uniquely in the possession of Defendants.  
28

May. 14. 2014 7:14PM

No. 1081 P. 13/41

1           24. During this telephone call, the individual expressly represented to Keck that the transfer  
2 of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it  
3 was made.

4           25. During this telephone call, the individual expressly represented to Keck that the Patient  
5 had active coverage through KFHP; this statement was not true at the time it was made.

6           26. During this telephone call, the individual expressly represented to Keck that KFHP was  
7 the responsible Payor for the medical services provided to the Patient; this statement was not true at the  
8 time it was made.

9           27. During this telephone call, the individual failed to disclose to Keck information  
10 regarding the annual benefit maximum on the Patient's KFHP plan.

11           28. During this telephone call, the individual further failed to disclose to Keck that the  
12 Patient already had exhausted his annual benefit maximum on his KFHP plan.

13           29. According to custom and practice in the health care industry, because the Patient had  
14 exhausted the \$75,000 annual benefit maximum, the only factually accurate way to describe the  
15 Patient's Coverage Information, Payor and Plan was "Self-Pay" or "Self-Insured."

16           30. However, during this telephone call, the individual further failed to disclose to Keck  
17 that the Patient was Self-Pay or Self-Insured.

18           31. In engaging in such communications and taking such actions, the individual who made  
19 the phone call to Keck on October 4, 2013 was the agent and/or employee of Defendants, and in  
20 engaging in such communications and taking such actions, was acting within the scope of such agency  
21 and employment and with the permission and consent of Defendants. Additionally, Defendants  
22 created the impression that the individual was their agent by providing private, confidential and  
23 protected health information regarding the Patient, such as the Patient's name, date of birth, and  
24 medical condition that the individual would not have had if he or she were not such agent. Defendants  
25 further ratified the communications and actions the individual performed on behalf of Defendants by  
26 transferring the Patient to Keck.

27           32. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized  
28 agent of Defendants, sent Keck, by facsimile, a "Face Sheet" for the Patient in order to request

May. 14. 2014 7:14PM

No. 1081 P. 14/41

admission to Keck. The facsimile did not include a cover page and thus does not identify the name of the individual who sent it on behalf of Defendants, and thus Keck does not know the name of such individual. However, this information is uniquely in the possession of Defendants.

33. The Face Sheet contains private, confidential and protected health information regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to Kaiser-Sunset, and admitting diagnosis.

34. The Face Sheet also contains a section called "Coverage Information," identifying the Patient's coverage as follows:

**COVERAGE INFORMATION**

Payor/Plan

KFHP 1001 - HDHP (E)

393 E WALNUT ST

This communication represented to Keck that the Patient on October 4, 2013 had active coverage with Kaiser Foundation Health Plan ("KFHP") and that KFHP was the Payor and Plan for insurance coverage for the Patient's medical services; these representations were not true at the time they were made.

35. The fax communication further failed to disclose to Keck: that the Patient's KFHP plan had a \$75,000 annual benefit maximum; that the Patient had met his annual benefit maximum on his KFHP plan; or that the Patient was Self-Insured or Self-Pay.

36. In engaging in such communications and taking such actions, the individual who sent the facsimile on October 4, 2013 was the agent and/or employee of Defendants, and in engaging in such communications and taking such actions, was acting within the scope of such agency and employment and with the permission and consent of Defendants. Additionally, Defendants created the impression that the individual was their agent by providing private, confidential and protected health information regarding the Patient, such as the Patient's name, date of birth, medical record number with Kaiser, and medical condition that the individual would not have had if he or she was not such

May. 14. 2014 7:14PM

No. 1081 P. 15/41

1 agent. Defendants further ratified the communications and actions the individual performed on behalf  
2 of Defendants by transferring the Patient to Keck.

3 37. In reliance on the information provided by telephone and fax by Defendants, Keck  
4 accepted the Patient's transfer and admission.

5 38. Defendants thus, requested, arranged for and carried out the transfer of the Patient from  
6 Kaiser-Sunset to Keck and the Patient's admission to Keck. By requesting, arranging and carrying out  
7 for the transfer of the Patient from Kaiser-Sunset to Keck for a mitral valve replacement and, by  
8 requesting, arranging and securing the Patient's admission to Keck for a mitral valve replacement,  
9 Defendants authorized Keck to provide all medically necessary services to the Patient to treat such  
10 condition, and promised to pay Keck for such services.

11 39. Ultimately, Keck provided medically necessary acute care hospital services to the  
12 Patient for 13 inpatient days.

13 40. However, on October 16, 2013 – before the Patient's discharge – Joanne, as the  
14 authorized representative of Defendants, called the Keck case manager Loreen Castorena and stated  
15 that Kaiser denied authorization for the transfer and admission of the Patient to an acute rehabilitation  
16 hospital facility, but authorized the Patient's transfer and admission to a skilled nursing facility level of  
17 care under contract with Kaiser. Joanne further requested that Ms. Castorena send Kaiser all physician  
18 consultation reports prepared during the Patient's inpatient stay at Keck, and requested further clinical  
19 information about the Patient.

20 41. In engaging in such communications and taking such actions, Joanne was the agent  
21 and/or employee of Defendants, and in engaging in such communications and taking such actions, was  
22 acting within the scope of such agency and employment and with the permission and consent of  
23 Defendants.

24 42. Additionally, Defendants created the impression that Joanne was their agent by  
25 providing private, confidential and protected health information regarding the Patient, such as the  
26 Patient's name, date of birth, and medical condition that Joanne would not have had if he were not  
27 such agent. Defendants further ratified the communications and actions Joanne performed on behalf of  
28 Defendants by engaging in subsequent communications with Keck regarding the Patient and ultimately

May. 14. 2014 7:14PM

No. 1081 P. 16/41

1 by arranging for the Patient's admission to a Kaiser-contracted SNF and transfer from Keck to such  
2 SNF.

3 43. KFHP is a health plan that is a "covered entity" under the Health Insurance Portability  
4 and Accountability Act of 1996 ("HIPAA"), 42 U.S.C. § 1320d *et seq.* See 42 U.S.C. § 1320d-1(a)(1);  
5 45 C.F.R. § 164.104(a)(1). Also, PMG and Kaiser Hospitals both are health care providers that  
6 transmit health information in electronic form in connection with transactions covered by Title 45 of  
7 the C.F.R., Subtitle A, Subchapter C, and thus both are "covered entities" under HIPAA. See 42  
8 U.S.C. § 1320d-1(a)(3); 45 C.F.R. § 164.104(a)(3). Does 1-25 are each a health plan, a health care  
9 provider that transmits health information in electronic form in connection with transactions covered  
10 by Title 45 of the C.F.R., Subtitle A, Subchapter C, a business associate of a covered entity and/or an  
11 employee and/or agent of such a health plan, provider or business associate. Thus, Defendants are  
12 each subject to restrictions and limitations under HIPAA on the permitted use of protected health  
13 information of patients, such as the Patient. See 42 U.S.C. §§ 1320d-2(d)(2), (h), 1320d-5, 1320d-6.  
14 Each may only use or disclose protected health information for specific permissible purposes, such as  
15 treatment, payment or health care operations. See 45 C.F.R. § 164.506(a), (c). Each further is required  
16 to make reasonable efforts when using, disclosing or requesting protected health information regarding  
17 the Patient to limit the protected health information to the minimum information necessary for the  
18 intended purpose. See 45 C.F.R. § 164.502(b).

19 44. Thus, Joanne's communications with Keck gave Keck the reasonable impression that  
20 the Patient had KFHP coverage. If no active KFHP coverage existed (i.e., if KFHP were not the Payor  
21 and Plan, and the Patient were in fact Self-Pay / Self-Insured), Defendants would have had no right to  
22 direct, authorize, arrange, or even be involved in discussions about where the Patient would be  
23 transferred after discharge from Keck; such information would be beyond the "minimum necessary"  
24 because Defendants would have no need for such information at all. By requesting from Keck private,  
25 confidential and protected health information regarding the Patient, the Patient's medical condition,  
26 and the medical care Keck provided to the Patient, by arranging for the Patient's transfer to a Kaiser-  
27 contracted facility and by authorizing the Patient be transferred and admitted to a skilled nursing  
28



May. 14. 2014 7:14PM

No. 1081 P. 17/41

1 facility, rather than an acute rehabilitation hospital, Joanne impliedly represented to Keck that KFHP  
2 coverage existed.

3 45. At no time during any of these communications, did Defendants inform Keck that the  
4 Patient's KFHP plan had a \$75,000 annual benefit maximum, that the Patient had met his annual  
5 benefit maximum on his KFHP plan, or that the Patient was Self-Insured / Self-Pay.

6 46. Defendants arranged for the Patient's discharge from Keck and transfer and admission  
7 to a skilled nursing facility contracted with Kaiser.

8 47. Thereafter, Keck billed KFHP for the services that Keck provided to the Patient at  
9 Defendants' request.

10 48. On December 13, 2013, KFHP denied Keck's entire claim on the ground that the  
11 "member has exceeded benefit threshold."

12 49. On December 19, 2013, a representative of Keck spoke to a representative of KFHP,  
13 and KFHP for the first time informed Keck that the Patient's KFHP plan had a benefit maximum and  
14 that KFHP had denied Keck's entire claim on the basis that the Patient had exceeded his benefit  
15 maximum.

16 50. Keck has been damaged by Defendants' actions.

17  
18 **FIRST CAUSE OF ACTION**

19 **INTENTIONAL FRAUD**

20 **(AS TO ALL DEFENDANTS)**

21 51. Keck re-alleges and incorporates by reference each and every allegation set forth above.

22 52. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized  
23 representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of  
24 the Patient.

25 53. During this telephone call, the individual expressly represented to Keck that the transfer  
26 of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it  
27 was made. The true facts were that Kaiser-Sunset had the ability to treat the Patient.

May. 14. 2014 7:14PM

No. 1081 P. 18/41

1 54. During this telephone call, the individual expressly represented to Keck that the Patient  
2 had active coverage through KFHP; this statement was not true at the time it was made. The true fact  
3 was that the Patient did not have active coverage through KFHP because he had exhausted his annual  
4 benefit maximum.

5 55. During this telephone call, the individual expressly represented to Keck that KFHP was  
6 the responsible Payor for the medical services provided to the Patient; this statement was not true at the  
7 time it was made. The true fact was that KFHP was not the responsible Payor for the medical services  
8 provided to the Patient.

9 56. During this telephone call, the individual failed to disclose to Keck information  
10 regarding the annual benefit maximum on the Patient's KFHP plan.

11 57. During this telephone call, the individual further failed to disclose to Keck that the  
12 Patient had exhausted his annual benefit maximum on his KFHP plan.

13 58. According to custom and practice in the health care industry, because the Patient had  
14 exhausted the \$75,000 annual benefit maximum at that time, the only factually accurate way to  
15 describe the Patient's Coverage Information, Payor and Plan was Self-Insured or Self-Pay.

16 59. However, during this telephone call, the individual further failed to disclose to Keck  
17 that the Patient was Self-Insured or Self-Pay.

18 60. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized  
19 agent of Defendants, sent Keck, by facsimile, a Face Sheet for the Patient in order to request admission  
20 to Keck.

21 61. The Face Sheet contains private, confidential and protected health information  
22 regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received  
23 while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to  
24 Kaiser-Sunset, and admitting diagnosis.

25 62. The Face Sheet also contains a section called "Coverage Information," identifying the  
26 Patient's coverage as follows:

27 **COVERAGE INFORMATION**

28 Payor/Plan

May. 14. 2014 7:15PM

No. 1081 P. 19/41

1 KFHP 1001 – HDHP (E)

2 393 E WALNUT ST

3 This communication represented to Keck that the Patient on October 4, 2013 had active coverage with  
4 Kaiser Foundation Health Plan ("KFHP") and that KFHP was the Payor and Plan for insurance  
5 coverage for the Patient's medical services, when these representations were not true at the time they  
6 were made.

7 63. The true facts were that the Patient's KFHP plan had a \$75,000 annual benefit  
8 maximum, which the Patient already had met, and thus, KFHP was no longer the Patient's Plan or the  
9 Payor for the Patient's services, and, thus, the Patient was self-insured / self-pay.

10 64. When Defendants made these representations, they knew them to be false and made  
11 these representations with the intention to deceive and defraud Keck and to induce Keck to act in  
12 reliance on these representations by accepting the transfer and admission of the Patient and by  
13 providing medical care to the Patient, and with the expectation that Keck would so act.

14 65. Keck, at the time these representations were made by Defendants and at the time Keck  
15 took the actions herein alleged, was ignorant of the falsity of the representations by Defendants and  
16 believed them to be true.

17 66. In reasonable reliance on this information provided, Keck was induced to and did accept  
18 the Patient's transfer and admission and provided health care services to the Patient.

19 67. Had Keck known the actual facts, it would not have taken such actions.

20 68. Keck's reliance on the representations by Defendants was justified because of the  
21 Parties' prior course of dealing during which KFHP has paid Keck for health care services provided to  
22 Kaiser members that Defendants arranged to be transferred to Keck for a higher level of care, and the  
23 continued communications by Defendants requesting clinical information and engaging in case  
24 management and discharge planning for the patient, all of which reinforced Keck's belief that the  
25 Patient had coverage under a KFHP plan.

26 69. As a proximate result of the fraudulent conduct of Defendants as herein alleged, Keck  
27 was damaged. Keck was induced to provide health care services to the Patient, by reason of which  
28 Keck has been damaged in the sum of \$543,838.16.

May. 14. 2014 7:15PM

No. 1081 P. 20/41

70. Defendants have ratified the fraudulent actions taken by their employees and agents and retained the benefit of the fraud by arranging the transfer of the Patient from Kaiser-Sunset to Keck, and therefore avoiding the costs of providing medically necessary care to the Patient at a Kaiser hospital.

## **SECOND CAUSE OF ACTION**

### **FRAUD AND DECEIT – SUPPRESSION OF FACTS**

#### **(AS TO ALL DEFENDANTS)**

71. Keck re-alleges and incorporates by reference each and every allegation set forth in Paragraphs 1 to 50 above.

72. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of the Patient.

73. During this telephone call, the individual expressly represented to Keck that the transfer of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it was made. The true facts were that Kaiser-Sunset had the ability to treat the Patient.

74. During this telephone call, the individual expressly represented to Keck that the Patient had active coverage through KFHP; this statement was not true at the time it was made. The true fact was that the Patient did not have active coverage through KFHP because he had exhausted his annual benefit maximum.

75. During this telephone call, the individual expressly represented to Keck that KFHP was the responsible Payor for the medical services provided to the Patient; this statement was not true at the time it was made. The true fact was that KFHP was not the responsible Payor for the medical services provided to the Patient.

76. During this telephone call, the individual failed to disclose to Keck information regarding the annual benefit maximum on the Patient's KFHP plan.

77. During this telephone call, the individual further failed to disclose to Keck that the Patient had exhausted his annual benefit maximum on his KFHP plan.

May. 14. 2014 7:15PM

No. 1081 P. 21/41

1 78. According to custom and practice in the health care industry, because the Patient had  
2 exhausted the \$75,000 annual benefit maximum at that time, the only factually accurate way to  
3 describe the Patient's Coverage Information, Payor and Plan was Self-Insured or Self-Pay.

4 79. However, during this telephone call, the individual further failed to disclose to Keck  
5 that the Patient was Self-Insured or Self-Pay.

6 80. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized  
7 agent of Defendants, sent Keck, by facsimile, a Face Sheet for the Patient in order to request admission  
8 to Keck.

9 81. The Face Sheet contains private, confidential and protected health information  
10 regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received  
11 while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to  
12 Kaiser-Sunset, and admitting diagnosis.

13 82. The Face Sheet also contains a section called "Coverage Information," identifying the  
14 Patient's coverage as follows:

15 **COVERAGE INFORMATION**

16 Payor/Plan

17 KFHP 1001 - HDHP (E)

18 393 E WALNUT ST

19 This communication represented to Keck that the Patient on October 4, 2013 had active coverage with  
20 Kaiser Foundation Health Plan ("KFHP") and that KFHP was the Payor and Plan for insurance  
21 coverage for the Patient's medical services, when these representations were not true at the time they  
22 were made.

23 83. The true facts were that the Patient's KFHP plan had a \$75,000 annual benefit  
24 maximum, which the Patient already had met, and thus, KFHP was no longer the Patient's Plan or the  
25 Payor for the Patient's services, and, thus, the Patient was self-insured / self-pay. However, the Face  
26 Sheet failed to disclose these true facts.

27 84. When KFHP, PMG and Does 1-25 made these representations and failed to disclose and  
28 suppressed the true facts, they knew them to be false. Defendants made these representations and

May. 14. 2014 7:15PM

No. 1081 P. 22/41

1 failed to disclose information and suppressed the information herein alleged with the intention to  
2 induce Keck to act in reliance thereon by accepting the transfer and admission of the Patient and by  
3 providing medical care to the Patient, and with the expectation that Keck would so act.

4 85. At the time these representations and failures to disclose and suppression of information  
5 were made by Defendants and at the time Keck took the actions herein alleged, Keck was ignorant of  
6 the falsity of the representations by Defendants and believed them to be true.

7 86. In reasonable reliance on this information provided, Keck was induced to and did accept  
8 the Patient's transfer and admission and provided health care services to the Patient.

9 87. Had Keck known the actual facts, it would not have taken such actions.

10 88. Keck's reliance on the representations by Defendants was justified because of the  
11 Parties' prior course of dealing during which KFHP has paid Keck for health care services provided to  
12 Kaiser members that Defendants arranged to be transferred to Keck for a higher level of care, and the  
13 continued communications by Defendants requesting clinical information and engaging in case  
14 management and discharge planning for the patient, all of which reinforced Keck's belief that the  
15 Patient had coverage under a KFHP plan.

16 89. As a proximate result of the fraudulent conduct of Defendants as herein alleged, Keck  
17 was damaged. Keck was induced to provide health care services to the Patient, by reason of which the  
18 plaintiff has been damaged in the sum of \$543,838.16.

19 90. Defendants have ratified the fraudulent actions taken by their employees and agents and  
20 retained the benefit of the fraud by arranging the transfer of the Patient from Kaiser-Sunset to Keck,  
21 and therefore avoiding the costs of providing medically necessary care to the Patient at a Kaiser  
22 hospital.

23  
24 **THIRD CAUSE OF ACTION**

25 **NEGLIGENT MISREPRESENTATION**

26 **(AS TO ALL DEFENDANTS)**

27 91. Keck re-alleges and incorporates by reference each and every allegation set forth in  
28 Paragraphs 1 to 50 above.

May, 14, 2014 7:15PM

No. 1081 P. 23/41

92. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of the Patient.

93. During this telephone call, the individual expressly represented to Keck that the transfer of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it was made. The true facts were that Kaiser-Sunset had the ability to treat the Patient.

94. During this telephone call, the individual expressly represented to Keck that the Patient had active coverage through KFHP; this statement was not true at the time it was made. The true fact was that the Patient did not have active coverage through KFHP because he had exhausted his annual benefit maximum.

95. During this telephone call, the individual expressly represented to Keck that KFHP was the responsible Payor for the medical services provided to the Patient; this statement was not true at the time it was made. The true fact was that KFHP was not the responsible Payor for the medical services provided to the Patient.

96. According to custom and practice in the health care industry, because the Patient had exhausted the \$75,000 annual benefit maximum at that time, the only factually accurate way to describe the Patient's Coverage Information, Payor and Plan was Self-Insured / Self-Pay.

97. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized agent of Defendants, sent Keck, by facsimile, a Face Sheet for the Patient in order to request admission to Keck.

98. The Face Sheet contains private, confidential and protected health information regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to Kaiser-Sunset, and admitting diagnosis.

99. The Face Sheet also contains a section called "Coverage Information," identifying the Patient's coverage as follows:

**COVERAGE INFORMATION**

Payor/Plan

May. 14. 2014 7:15PM

No. 1081 P. 24/41

1 KFHP 1001 - HDHP (E)

2 393 E WALNUT ST

3 This communication represented to Keck that the Patient on October 4, 2013 had active coverage with  
4 Kaiser Foundation Health Plan ("KFHP") and that KFHP was the "Payor" and "Plan" for insurance  
5 coverage for the Patient's medical services, when these representations were not true at the time they  
6 were made.

7 100. The true facts were that, because the Patient already had exceeded his annual benefit  
8 maximum under the KFHP plan, KFHP was no longer the Patient's Plan or the Payor for the Patient's  
9 services, and, thus, the Patient was self-insured / self-pay.

10 101. When Defendants made these representations, they had no reasonable ground for  
11 believing them to be true.

12 102. Defendants made these representations with the intention of inducing Keck to act in  
13 reliance on these representations by accepting the transfer and admission of the Patient and by  
14 providing medical care to the Patient, and with the expectation that Keck would so act.

15 103. Keck, at the time these representations were made by Defendants and at the time Keck  
16 took the actions herein alleged, was ignorant of the falsity of the representations by Defendants and  
17 believed them to be true.

18 104. In reasonable reliance on this information provided, Keck was induced to and did accept  
19 the Patient's transfer and admission and provided health care services to the Patient.

20 105. Had Keck known the actual facts, it would not have taken such actions.

21 106. Keck's reliance on the representations by Defendants was justified because of the  
22 Parties' prior course of dealing during which KFHP has paid Keck for health care services provided to  
23 Kaiser members that Defendants arranged to be transferred to Keck for a higher level of care, and the  
24 continued communications by Defendants requesting clinical information and engaging in case  
25 management and discharge planning for the patient, all of which reinforced Keck's belief that the  
26 Patient had coverage under a KFHP plan.

27 107. Defendants have ratified the misrepresentations made by their employees and agents  
28 and retained the benefit of such misrepresentations by arranging the transfer of the Patient from



May. 14. 2014 7:16PM

No. 1081 P. 25/41

1 Kaiser-Sunset to Keck, and therefore avoiding the costs of providing medically necessary care to the  
2 Patient at a Kaiser hospital.

3 108. As a proximate result of the fraudulent conduct of Defendants as herein alleged, Keck  
4 was damaged. Keck was induced to provide health care services to the Patient, by reason of which the  
5 plaintiff has been damaged in the sum of \$543,838.16.

6  
7 **FOURTH CAUSE OF ACTION**

8 **PROMISSORY ESTOPPEL**

9 **(AS TO KAISER FOUNDATION HEALTH PLAN, INC. AND DOES 1-25)**

10 109. KFHP and Does 1-25 promised to pay Keck for the services provided to the Patient.

11 110. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized  
12 representative of KFHP and Does 1-25, contacted Keck by telephone to request that Keck accept the  
13 transfer of the Patient.

14 111. During this telephone call, the individual expressly represented to Keck that the Patient  
15 had active coverage through KFHP, that KFHP was the responsible Payor for the medical services to  
16 be provided to the Patient, and that KFHP would pay Keck for the medical services provided to the  
17 Patient.

18 112. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized  
19 agent of KFHP and Does 1-25, sent Keck, by facsimile, a Face Sheet for the Patient in order to request  
20 admission to Keck.

21 113. The Face Sheet contains a section called "Coverage Information," identifying the  
22 Patient's coverage as follows:

23 **COVERAGE INFORMATION**

24 **Payor/Plan**

25 KFHP 1001 - HDHP (E)

26 393 E WALNUT ST  
27  
28

May. 14. 2014 7:16PM

No. 1081 P. 26/41

1 This communication represented to Keck that the Patient on October 4, 2013 had active coverage with  
2 Kaiser Foundation Health Plan ("KFHP") and that KFHP was the Payor and Plan for insurance  
3 coverage for the Patient's medical services.

4 114. In making these representations, KFHP and Does 1-25 knew or should have known that  
5 Keck would be reasonably induced to rely on their promises by accepting the transfer and admission of  
6 the Patient to Keck and by providing health care services to the Patient.

7 115. In reasonable reliance on the promises of KFHP and Does 1 through 25, Keck accepted  
8 the transfer of and admitted the Patient to Keck and thereafter provided the Patient medically necessary  
9 services.

10 116. KFHP and Does 1-25 have not performed any part of their promise to pay Keck for the  
11 services provided to the Patient.

12 117. As a proximate result of KFHP's and Does 1-25's failure to perform according to its  
13 promises that it made to Keck, Keck has been damaged in the amount of \$543,838.16.

14 118. Justice requires that the promises of KFHP and Does 1 through 25 be enforced.

15  
16 **FIFTH CAUSE OF ACTION**

17 **ESTOPPEL**

18 **(AS TO ALL DEFENDANTS)**

19 119. Keck re-alleges and incorporates by reference each and every allegation set forth in  
20 Paragraphs 1 to 50 above.

21 120. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized  
22 representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of  
23 the Patient.

24 121. During this telephone call, the individual expressly represented to Keck that the transfer  
25 of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it  
26 was made. The true facts were that Kaiser-Sunset had the ability to treat the Patient.

27 122. During this telephone call, the individual expressly represented to Keck that the Patient  
28 had active coverage through KFHP; this statement was not true at the time it was made. The true fact

May. 14. 2014 7:16PM

No. 1081 P. 27/41

1 was that the Patient did not have active coverage through KFHP because he had exhausted his annual  
2 benefit maximum.

3 123. During this telephone call, the individual expressly represented to Keck that KFHP was  
4 the responsible Payor for the medical services provided to the Patient; this statement was not true at the  
5 time it was made. The true fact was that KFHP was not the responsible Payor for the medical services  
6 provided to the Patient.

7 124. According to custom and practice in the health care industry, because the Patient had  
8 exhausted the \$75,000 annual benefit maximum at that time, the only factually accurate way to  
9 describe the Patient's Coverage Information, Payor and Plan was Self-Insured or Self-Pay.

10 125. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized  
11 agent of Defendants, sent Keck, by facsimile, a "Face Sheet" for the Patient in order to request  
12 admission to Keck.

13 126. The Face Sheet contains private, confidential and protected health information  
14 regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received  
15 while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to  
16 Kaiser-Sunset, and admitting diagnosis.

17 127. The Face Sheet also contains a section called "Coverage Information," identifying the  
18 Patient's coverage as follows:

19 **COVERAGE INFORMATION**

20 Payor/Plan

21 KFHP 1001 - HDHP (E)

22 393 E WALNUT ST

23 This communication represented to Keck that the Patient on October 4, 2013 had active coverage with  
24 Kaiser Foundation Health Plan ("KFHP") and that KFHP was the "Payor" and "Plan" for insurance  
25 coverage for the Patient's medical services, when these representations were not true at the time they  
26 were made.

May. 14. 2014 7:16PM

No. 1081 P. 28/41

1 128. The true facts were that the Patient's KFHP plan had a \$75,000 annual benefit  
2 maximum, which the Patient already had met, and thus, KFHP was no longer the Patient's Plan or the  
3 Payor for the Patient's services, and, thus, the Patient was self-insured / self-pay.

4 129. Keck, at the time these representations were made by Defendants and at the time Keck  
5 took the actions herein alleged, was ignorant of the falsity of the representations by Defendants and  
6 believed them to be true.

7 130. When Defendants made these representations, they knew them to be false and made  
8 these representations with the intention that Keck act in reliance on these representations by accepting  
9 the transfer and admission of the Patient and by providing medical care to the Patient, and with the  
10 expectation that Keck would so act.

11 131. In reliance on these representations, Keck was induced to accept the transfer and  
12 admission of the Patient and to provide medical care to the Patient.

13 132. As a proximate result of Defendants' conduct, Keck has been damaged in an amount to  
14 be proved at trial that is not less than \$543,838.16.

15  
16 **SIXTH CAUSE OF ACTION**

17 **ESTOPPEL BY CONCEALMENT**

18 **(AS TO ALL DEFENDANTS)**

19 133. Keck re-alleges and incorporates by reference each and every allegation set forth in  
20 Paragraphs 1 to 50 above.

21 134. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized  
22 representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of  
23 the Patient.

24 135. During this telephone call, the individual expressly represented to Keck that the transfer  
25 of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it  
26 was made. The true facts were that Kaiser-Sunset had the ability to treat the Patient.

27 136. During this telephone call, the individual expressly represented to Keck that the Patient  
28 had active coverage through KFHP; this statement was not true at the time it was made. The true fact

May. 14. 2014 7:16PM

No. 1081 P. 29/41

1 was that the Patient did not have active coverage through KFHP because he had exhausted his annual  
2 benefit maximum.

3 137. During this telephone call, the individual expressly represented to Keck that KFHP was  
4 the responsible Payor for the medical services provided to the Patient; this statement was not true at the  
5 time it was made. The true fact was that KFHP was not the responsible Payor for the medical services  
6 provided to the Patient.

7 138. During this telephone call, the individual failed to disclose to, and knowingly concealed  
8 from, Keck information regarding the annual benefit maximum on the Patient's KFHP plan.

9 139. During this telephone call, the individual further failed to disclose to, and knowingly  
10 concealed from, Keck that the Patient had exhausted his annual benefit maximum on his KFHP plan.

11 140. According to custom and practice in the health care industry, because the Patient had  
12 exhausted the \$75,000 annual benefit maximum at that time, the only factually accurate way to  
13 describe the Patient's Coverage Information, Payor and Plan was Self-Insured or Self-Pay.

14 141. However, during this telephone call, the individual further failed to disclose to, and  
15 knowingly concealed from, Keck that the Patient was Self-Insured / Self-Pay.

16 142. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized  
17 agent of Defendants, sent Keck, by facsimile, a "Face Sheet" for the Patient in order to request  
18 admission to Keck.

19 143. The Face Sheet contains private, confidential and protected health information  
20 regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received  
21 while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to  
22 Kaiser-Sunset, and admitting diagnosis.

23 144. The Face Sheet also contains a section called "Coverage Information," identifying the  
24 Patient's coverage as follows:

25 **COVERAGE INFORMATION**

26 Payor/Plan

27 KFHP 1001 - HDHP (E)

28 393 E WALNUT ST

May. 14. 2014 7:16PM

No. 1081 P. 30/41

1 This communication represented to Keck that the Patient on October 4, 2013 had active coverage with  
2 Kaiser Foundation Health Plan ("KFHP") and that KFHP was the Payor and Plan for insurance  
3 coverage for the Patient's medical services, when these representations were not true at the time they  
4 were made.

5 145. The true facts were that the Patient's KFHP plan had a \$75,000 annual benefit  
6 maximum, which the Patient already had met, and thus, KFHP was no longer the Patient's Plan or the  
7 Payor for the Patient's services, and, thus, the Patient was self-insured / self-pay. In sending the fax,  
8 Defendants failed to disclose to, and knowingly concealed from, Keck these material facts.

9 146. Keck, at the time these representations and concealments were made by Defendants and  
10 at the time Keck took the actions herein alleged, was ignorant of the falsity of the representations by  
11 Defendants and believed them to be true.

12 147. When Defendants made these representations and concealments, they knew them to be  
13 false and made these representations with the intention that Keck act in reliance on these  
14 representations by accepting the transfer and admission of the Patient and by providing medical care to  
15 the Patient, and with the expectation that Keck would so act.

16 148. In reliance on these representations and concealments, Keck was induced to accept the  
17 transfer and admission of the Patient and to provide medical care to the Patient.

18 149. As a proximate result of Defendants' conduct, Keck has been damaged in an amount to  
19 be proved at trial that is not less than \$543,838.16.

20  
21 **SEVENTH CAUSE OF ACTION**

22 **UNJUST ENRICHMENT**

23 **(AS TO ALL DEFENDANTS)**

24 150. Keck asserts this cause of action against Defendants for unjust enrichment in the  
25 alternative.

26 151. Defendants approved and authorized the transfer of the Patient from Kaiser-Sunset to  
27 Keck, referred the Patient to Keck, and thus requested that Keck accept the transfer of, admit and  
28 provide health care services to the Patient.

May. 14. 2014 7:16PM

No. 1081 P. 31/41

1 152. As requested by the Defendants, Keck accepted the transfer of and admitted the Patient  
2 to Keck and thereafter provided the Patient medically necessary and physician-ordered services with  
3 the reasonable expectation of payment from Defendants.

4 153. Throughout the Patient's inpatient stay, Keck regularly provided information to  
5 Defendants about the Patient's condition and the health care services to be provided to the Patient.

6 154. Defendants received a benefit from Keck's accepting the transfer of, admitting and  
7 providing health care services to the Patient because they avoided the costs of providing medically  
8 necessary care to the Patient that they themselves otherwise would have borne and were legally  
9 obligated to provide the Patient at their own expense.

10 155. Defendants had the option of treating the Patient at Kaiser-Sunset, but declined to do so.  
11 In so doing, Defendants chose to retain the benefits of Keck's services at Keck's expense.

12 156. The reasonable value of the services that Keck provided is \$543,838.16. Defendants  
13 failed to fully reimburse Keck for the health care services Keck provided to the Patient.

14 157. Defendants have been unjustly enriched in an amount to be proved at trial.

15 158. As a result of the benefit conferred upon Defendants by Keck, Keck is entitled to  
16 restitution in an amount to be proved at trial, plus statutory interest.

17  
18 **EIGHTH CAUSE OF ACTION**

19 **QUANTUM MERUIT**

20 **(AS TO ALL DEFENDANTS)**

21 159. Keck asserts this cause of action against Defendants in quantum meruit in the  
22 alternative.

23 160. Defendants expressly and impliedly requested that Keck provide medical services to  
24 the Patient. Thereafter, Keck provided medical services to the Patient pursuant to such express and  
25 implied requests.

26 161. As requested by the Defendants, Keck accepted the transfer of and admitted the Patient  
27 to Keck and thereafter provided the Patient medically necessary and physician-ordered services in  
28

May. 14. 2014 7:17PM

No. 1081 P. 32/41

1 circumstances in which there was a reasonable expectation that Defendants would pay Keck such such  
2 services.

3 162. Defendants received a benefit from Keck's accepting the transfer of, admitting and  
4 providing health care services to the Patient because they avoided the costs of providing medically  
5 necessary care to the Patient that they themselves otherwise would have borne and were legally  
6 obligated to provide the Patient at their own expense if the Patient had remained an inpatient at Kaiser-  
7 Sunset.

8 163. Defendants had the option of treating the Patient at Kaiser-Sunset, but declined to do so  
9 In so doing, Defendants chose to retain the benefits of Keck's services at Keck's expense.

10 164. The reasonable value of the services that Keck provided at the express and implied  
11 requests of Defendants is \$543,838.16. Defendants failed to reimburse Keck for the health care  
12 services Keck provided to the Patient.

13 165. As a result of the benefit conferred upon Defendants by Keck, Keck is entitled to  
14 quantum meruit damages in the amount of \$543,838.16, plus statutory interest.

15  
16 **NINTH CAUSE OF ACTION**

17 **BREACH OF WRITTEN CONTRACT**

18 **(AS TO KAISER FOUNDATION HEALTH PLAN, INC., KAISER FOUNDATION**  
19 **HOSPITALS, AND DOES 20-25)**

20 166. Keck states that following cause of action for breach of written contract in the  
21 alternative.

22 167. Keck, on the one hand, and KFHP and Kaiser Hospitals, on its own behalf and as the  
23 actual and/or ostensible agent of KFHP, on the other hand, entered into the written Agreement. The  
24 Agreement provides that Keck will provide acute hospital services for Kaiser members in return for  
25 reimbursement by KFHP and Kaiser Hospitals at rates set forth therein.

26 168. On or about December 16, 1994, Keck, on the one hand, and KFHP and Kaiser  
27 Hospitals, on its own behalf and as actual and/or ostensible agent of KFHP, on the other hand, entered  
28 into an Acute Hospital Services Agreement, pursuant to which Keck provides acute hospital services



May. 14. 2014 7:17PM

No. 1081 P. 33/41

1 for Kaiser members in return for reimbursement by KFHP and Kaiser Hospitals to Keck at rates set  
2 forth therein. Thereafter, the parties entered into the First Amendment to the Acute Hospital Services  
3 Agreement, dated February 15, 1995, the Second Amendment to Acute Hospital Services Agreement,  
4 dated June 1, 1998, Third Amendment to Acute Hospital Services Agreement, dated December 1,  
5 1998, Fourth Amendment to Acute Hospital Services Agreement, dated August 15, 2002, and Product  
6 Amendment, effective July 1, 2009. The original December 14, 1994 agreement and the five  
7 subsequent amendments, including the Product Amendment, are collectively referred to herein as the  
8 "Agreement" and/or the "Acute Hospital Services Agreement."

9 169. Keck is informed and believes that, at all times herein mentioned, Kaiser Hospitals was  
10 the agent of KFHP, and in executing the Agreement, including each of the amendments thereto, was  
11 acting in the scope of its authority as such agent and with the permission and consent of KFHP.

12 170. Keck is informed and believes that as an additional and/or alternative basis for  
13 recovery, Kaiser Hospitals and KFHP have entered into a written contract (the "Delegation  
14 Agreement") pursuant to which Kaiser Hospitals has assigned its rights and delegated its duties under  
15 the Agreement with Keck to KFHP. Keck is informed and believes that among the duties delegated to  
16 KFHP is Kaiser Hospitals' obligation to reimburse Keck for the services provided to Kaiser members,  
17 including the Patient.

18 171. KFHP has issued payment to Keck based on the rates set forth in the Agreement, and  
19 thus, Keck is informed and believes that, KFHP has actually performed under the Delegation  
20 Agreement. KFHP has given Keck the reasonable impression that Kaiser Hospitals was KFHP's agent  
21 in executing the Agreement, and KFHP ratified the Agreement executed by Kaiser Hospitals.

22 172. KFHP further ratified the Agreement by knowingly and voluntarily accepting the  
23 benefits of the Agreement, including the discounted rates thereunder, when paying claims for  
24 reimbursement from Keck for medical services.

25 173. Keck also entered into written agreements with Does 20 through 25 ("Doe  
26 Agreements"), which provide that Keck will provide acute hospital services for patients, including the  
27 Patient, in return for reimbursement by Does 20 through 25 at rates set forth therein.

28

May. 14. 2014 7:17PM

No. 1081 P. 34/41

174. Keck has duly performed all contractual obligations required of it under the Agreement and Doe Agreements. Specifically, Keck provided the Patient medically necessary and physician-ordered hospital services and treatment.

175. Keck submitted a final uniform billing statement or UB to KFHP and Kaiser Hospitals reflecting the total billed charges for medical services provided pursuant to the Agreement. Based on the rates set forth in the Agreement, KFHP and Kaiser Hospitals owed Keck \$243,002.96 for the medical care provided to the Patient.

176. Keck submitted a final uniform billing statement or UB to Does 20 through 25 reflecting the total billed charges for medical services provided pursuant to the Doe Agreements. Based on the rates set forth in the Doe Agreements, the Does 20 through 25 owe Keck not more than \$543,838.16 for the medical care provided to the Patient.

177. KFHP and Kaiser Hospitals breached the Agreement by incorrectly denying full reimbursement as required under the terms of the Agreement.

178. Does 20 through 25 breached the Doe Agreements by incorrectly denying full reimbursement as required under the terms of the Doe Agreements.

179. KFHP and Kaiser Hospitals owe Keck the remaining outstanding balance of \$243,002.96 for the medical care provided to the Patient.

180. Does 20 through 25 owe Keck not more than \$543,838.16 for the medical care provided to the Patient.

#### **TENTH CAUSE OF ACTION**

#### **BREACH OF WRITTEN CONTRACT AS THIRD PARTY BENEFICIARY**

#### **(AS TO KAISER FOUNDATION HEALTH PLAN, INC. AND DOES 20-25)**

181. Keck states that following cause of action for breach of written contract as third party beneficiary in the alternative.

182. As alleged above, Keck and Kaiser Hospitals entered into the Agreement, pursuant to which Keck provides acute hospital services for Kaiser members in return for reimbursement at rates set forth therein.

May. 14. 2014 7:17PM

No. 1081 P. 35/41

183. Keck is informed and believes that Kaiser Hospitals and KFHP, and Kaiser Hospitals and Does 20 through 25, have entered into written delegation agreements ("Written Delegation Agreements") whereby Kaiser Hospitals has assigned its rights and delegated its duties under the Agreement with Hospital to KFHP and Does 20 through 25, and, for valid consideration, KFHP and Does 20 through 25 have agreed to perform Kaiser Hospitals' duties under the Kaiser Hospitals' Agreement with Keck. Hospital further is informed and believes that, among the duties under the Agreement that KFHP and Does 20 through 25 have agreed to perform, pursuant to the Written Delegation Agreements, is paying Hospital for medical services provided to Kaiser patients, including the Patient. Hospital is informed and believes that the Written Delegation Agreements have not been rescinded.

184. Keck is informed and believes that Written Delegation Agreements entered into by Kaiser Hospitals and KFHP and by Kaiser Hospitals and Does 20 through 25 contain a provision that expressly states that "[t]he parties intend to create third party beneficiary rights in the University of Southern California on behalf of its USC University Hospital," which is now known as Keck Hospital of USC; Hospital therefore is informed and believes that it is an express third party beneficiary of the Written Delegation Agreements based on the language of those agreements.

185. Additionally, Keck is informed and believes that the Written Delegation Agreements obligate KFHP and Does 20 through 25 to reimburse Keck, pursuant to Keck's Agreement with Kaiser Hospitals, for services Keck provided Kaiser members.

186. Keck has duly performed all contractual obligations required of it under the Written Delegation Agreements. Specifically, Keck provided the Patient medically necessary and physician-ordered hospital services and treatment.

187. Keck is informed and believes that Kaiser Hospitals and Does 20 through 25 duly performed all contractual obligations required of them under the Written Delegation Agreements.

188. Keck is informed and believes that KFHP and Does 20 through 25 breached the Written Delegation Agreements by incorrectly denying full reimbursement to Hospital for medical services incurred during the Patient's stay at the rates set forth in the Agreement.

May. 14. 2014 7:17PM

No. 1081 P. 36/41

189. As a result of the failure of KFHP and Does 20 through 25 to fulfill their contractual obligations in a reasonable, timely or competent manner, Keck suffered damages of no less than \$243,002.96, plus interest.

### **ELEVENTH CAUSE OF ACTION**

#### **OPEN BOOK ACCOUNT**

#### **(AS TO KAISER FOUNDATION HEALTH PLAN, INC., KAISER FOUNDATION HOSPITALS AND DOES 20-25)**

190. As an additional and/or alternative basis for recovery, Keck seeks recovery from KFHP, Kaiser Hospitals and Does 1-25 in the amount of \$543,838.16, plus interest, based on an open book account.

191. KFHP, Kaiser Hospitals and Does 1-25 are indebted to Keck in the sum of \$543,838.16.

192. Keck has had financial transactions with KFHP, Kaiser Hospitals and Does 1-25.

193. Keck provided consideration to KFHP, Kaiser Hospitals and Does 1-25 by rendering services to the Patient and KFHP, Kaiser Hospitals and Does 1-25 are responsible for payment of said services.

194. Keck keeps an account of the debits and credits involved in such transactions. One or more items are unsettled.

195. Keck billed KFHP, Kaiser Hospitals and Does 1-25 for the services provided. However, KFHP, Kaiser Hospitals and Does 1-25 failed to make any payments to Keck for the services.

196. KFHP, Kaiser Hospitals and Does 1-25 owe Keck money on the account.

197. KFHP, Kaiser Hospitals and Does 20-25 owe Keck the remaining outstanding balance of \$543,838.16, plus interest.

///

///

///

///

May. 14. 2014 7:17PM

No. 1081 P. 37/41

**TWELFTH CAUSE OF ACTION****CIVIL CONSPIRACY****(AS TO ALL DEFENDANTS)**

198. Keck re-alleges and incorporates by reference each and every allegation set forth in Paragraphs 1 to 50 above.

199. On or about October 4, 2013, Defendants knowingly and willfully conspired and agreed among themselves to transfer the Patient to Keck in order to pass along the costs of the Patient's medical care to Keck rather than bear such costs themselves.

200. On October 4, 2013, at approximately 7:30 a.m., an individual, who was an authorized representative of Defendants, contacted Keck by telephone to request that Keck accept the transfer of the Patient.

201. During this telephone call, the individual expressly represented to Keck that the transfer of the Patient to Keck was necessary for a higher level of care; this statement was not true at the time it was made. The true facts were that Kaiser-Sunset had the ability to treat the Patient.

202. During this telephone call, the individual expressly represented to Keck that the Patient had active coverage through KFHP; this statement was not true at the time it was made. The true fact was that the Patient did not have active coverage through KFHP because he had exhausted his annual benefit maximum.

203. During this telephone call, the individual expressly represented to Keck that KFHP was the responsible Payor for the medical services provided to the Patient; this statement was not true at the time it was made. The true fact was that KFHP was not the responsible Payor for the medical services provided to the Patient.

204. During this telephone call, the individual failed to disclose to Keck information regarding the annual benefit maximum on the Patient's KFHP plan.

205. During this telephone call, the individual further failed to disclose to Keck that the Patient had exhausted his annual benefit maximum on his KFHP plan.

May. 14. 2014 7:17PM

No. 1081 P. 38/41

206. According to custom and practice in the health care industry, because the Patient had exhausted the \$75,000 annual benefit maximum at that time, the only factually accurate way to describe the Patient's Coverage Information, Payor and Plan was Self-Insured or Self-Pay.

207. However, during this telephone call, the individual further failed to disclose to Keck that the Patient was Self-Insured or Self-Pay.

208. On or about October 4, 2013 at approximately 7:38 a.m., an individual, as an authorized agent of Defendants, sent Keck, by facsimile, a Face Sheet for the Patient in order to request admission to Keck.

209. The Face Sheet contains private, confidential and protected health information regarding the Patient, the Patient's clinical condition and the medical treatment the Patient received while at Kaiser-Sunset, including the Patient's name, address, date of birth, date of admission to Kaiser-Sunset, and admitting diagnosis.

210. The Face Sheet also contains a section called "Coverage Information," identifying the Patient's coverage as follows:

**COVERAGE INFORMATION**

Payor/Plan

KFHP 1001 - HDHP (E)

393 E WALNUT ST

This communication represented to Keck that the Patient on October 4, 2013 had active coverage with Kaiser Foundation Health Plan ("KFHP") and that KFHP was the Payor and Plan for insurance coverage for the Patient's medical services, when these representations were not true at the time they were made.

211. The true facts were that the Patient's KFHP plan had a \$75,000 annual benefit maximum, which the Patient already had met, and thus, KFHP was no longer the Patient's Plan or the Payor for the Patient's services, and, thus, the Patient was self-insured / self-pay.

212. When Defendants made these representations, they knew them to be false and made these representations with the intention to deceive and defraud Keck and to induce Keck to act in

May. 14. 2014 7:18PM

No. 1081 P. 39/41

1 reliance on these representations by accepting the transfer and admission of the Patient and by  
2 providing medical care to the Patient, and with the expectation that Keck would so act.

3 213. Defendants did the acts and things herein alleged pursuant to, and furtherance of, the  
4 conspiracy and above-alleged agreement.

5 214. Defendants furthered the conspiracy by cooperation with, lent aid and encouragement  
6 to, and ratified and adopted the acts of each other defendant by carrying out the transfer of the Patient  
7 from Kaiser-Sunset to Keck.

8 215. At the time these representations and failures to disclose and suppression of information  
9 were made and at the time Keck took the actions herein alleged, Keck was ignorant of the falsity of the  
10 representations and believed them to be true.

11 216. In reasonable reliance on this information provided, Keck was induced to and did accept  
12 the Patient's transfer and admission and provided health care services to the Patient.

13 217. Had Keck known the actual facts, it would not have taken such actions.

14 218. Keck's reliance on the representations was justified because of the Parties' prior course  
15 of dealing during which KFHP has paid Keck for health care services provided to Kaiser members that  
16 Defendants arranged for and carried out the transfer of the Patient to Keck for a higher level of care,  
17 and the continued communications by Defendants requesting clinical information and engaging in case  
18 management and discharge planning for the patient, all of which reinforced Keck's belief that the  
19 Patient had coverage under a KFHP plan.

20 219. Keck is informed and believes that the last overt act in pursuance of the above-  
21 described conspiracy occurred on or about December 12, 2013, on which date KFHP mailed an  
22 Explanation of Benefit form to Keck denying Keck's claim for reimbursement.

23 220. As a proximate result of the fraudulent conduct of Defendants as herein alleged, Keck  
24 was damaged. Keck was induced to provide health care services to the Patient, by reason of which  
25 Keck has been damaged in the sum of \$543,838.16.

26 221. Defendants have ratified the fraudulent actions taken by their employees and agents and  
27 co-conspirators and retained the benefit of the civil conspiracy to engage in fraud by arranging the  
28

May. 14. 2014 7:18PM

No. 1081 P. 40/41

1 transfer of the Patient from Kaiser-Sunset to Keck, and therefore avoiding the costs of providing  
2 medically necessary care to the Patient at a Kaiser hospital.

### 3 4 **THIRTEENTH CAUSE OF ACTION**

#### 5 **BREACH OF IMPLIED-IN-FACT CONTRACT**

##### 6 **(AS TO KAISER FOUNDATION HEALTH PLAN, INC. AND DOES 1-25)**

7 222. Keck re-alleges and incorporates by reference each and every allegation set forth in  
8 Paragraphs 1 to 50 above.

9 223. Keck asserts this cause of action against KFHP and Does 1-25 for breach of implied-in-  
10 fact contract in the alternative.

11 224. The actions and communications by KFHP and Does 1-25 constituted an express and/or  
12 implied request by KFHP and Does 1-25 that Keck provide services to the Patient and an agreement  
13 by KFHP and Does 1-25 to pay Keck for such requested services.

14 225. The conduct of KFHP and Does 1-25 gave rise to an implied-in-fact contract between  
15 Keck, on the one hand, and KFHP and Does 1-25, on the other hand, obligating KFHP and Does 1-25  
16 to pay for the care and treatment Keck provided to the Patient.

17 226. Keck performed all of its obligations under its implied contract with KFHP and Does 1-  
18 25. Specifically, Keck provided medically necessary and physician-ordered acute care hospital  
19 services to the Patient.

20 227. Keck timely submitted a complete claim to KFHP and Does 1-25 for payment. KFHP  
21 and Does 1-25 failed to pay Keck for the services rendered to the Patient.

22 228. KFHP and Does 1-25 have paid nothing to Keck for these services.

23 229. KFHP and Does 1-25 have breached the implied-in-fact contract by failing to pay Keck  
24 the full amounts owed to the Hospital for the medically necessary services provided to the Patient.

25 230. Because of the breaches by KFHP and Does 1-25, the Hospital has been damaged and  
26 is entitled to payment in an amount to be proved at trial, plus statutory interest.

27 ///

28 ///



May. 14. 2014 7:18PM

No. 1081 P. 41/41

**PRAYER FOR RELIEF****WHEREFORE**, Plaintiff prays for judgment as follows:

1. For damages in an amount according to proof at trial;
2. For interest at the statutory rate;
3. For costs and reasonable attorneys' fees to the extent allowed by law; and
4. For such other and further relief as this Court may deem just and proper.

DATED: May 14, 2014

HELTON LAW GROUP, APC

By: 

CARRIE McLAIN

KIM WOROBEK

Attorneys for Plaintiff

UNIVERSITY OF SOUTHERN CALIFORNIA

May. 14. 2014 7:12PM

No. 1081 P. 2/41

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Carrie McLain (SBN 181674) / Kim Worobec (220035) <b>HELTON LAW GROUP, APC</b> 7711 Center Ave., Suite 350, Huntington Beach, CA 92647 TELEPHONE NO.: (562) 901-4499 FAX NO.: (562) 901-4488 ATTORNEY FOR (Name): <b>Plaintiff UNIVERSITY OF SOUTHERN CALIFORNIA</b> <b>SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES</b> STREET ADDRESS: 111 N. Hill St. MAILING ADDRESS: CITY AND ZIP CODE: Los Angeles, CA 90012 BRANCH NAME: Central District		FOR COURT USE ONLY  <b>FILED</b> Superior Court of California County of Los Angeles  MAY 15 2014  Sherri R. Carter, Executive Officer/Clerk By <u>Dawn Alexander</u> Deputy
CASE NAME: <b>UNIVERSITY OF SOUTHERN CALIFORNIA v. KAISER FOUNDATION HEALTH PLAN, INC., et al.</b>		
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000) <input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less)	<b>Complex Case Designation</b> <input type="checkbox"/> <b>Counter</b> <input type="checkbox"/> <b>Joinder</b> Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	
CASE NUMBER: <b>BC545469</b> JUDGE: DEPT:		

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other P/DPD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other P/DPD/WD (23) <b>Non-P/DPD/WD (Other) Tort</b> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-P/DPD/WD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Collections (08) <input type="checkbox"/> Insurance coverage (18) <input checked="" type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation</b> (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
--	--	---

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☐ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): **THIRTEEN (13)**
5. This case ☐ is ☒ is not a class action suit.
6. This case ☐ is ☒ is not a collections case under rule 3.740.
7. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)
- Date: May 14, 2014

Kim Worobec

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

## NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a complex case, or a collections case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

May. 14. 2014 7:12PM

No. 1081 P. 3/41

CM-010

## INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the primary cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

certain that is not more than \$25,000, exclusive of interest, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: 1) tort damages, 2) punitive damages, 3) recovery of real property, 4) recovery of personal property, or 5) a prejudgment writ of attachment. The identification of a case as a collections case on this form means that it will be exempt from the general time for service requirements and case management rules, unless a defendant files a responsive pleading. A collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties in Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

## CASE TYPES AND EXAMPLES

## Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death  
Uninsured Motorist (48) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

## Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)  
Asbestos Property Damage  
Asbestos Personal Injury/Wrongful Death  
Product Liability (not asbestos or toxic/environmental) (24)  
Medical Malpractice (45)  
Medical Malpractice—Physicians & Surgeons  
Other Professional Health Care Malpractice  
Other PI/PD/WD (23)  
Premises Liability (e.g., slip and fall)  
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)  
Intentional infliction of Emotional Distress  
Negligent infliction of Emotional Distress  
Other PI/PD/WD

## Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)  
Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)  
Defamation (e.g., slander, libel) (13)  
Fraud (16)  
Intellectual Property (19)  
Professional Negligence (25)  
Legal Malpractice  
Other Professional Malpractice (not medical or legal)  
Other Non-PI/PD/WD Tort (35)  
Employment  
Wrongful Termination (36)  
Other Employment (15)

## Contract

Breach of Contract/Warranty (06)  
Breach of Rental/Lease  
Contract (not unlawful detainer or wrongful eviction)  
Contract/Warranty Breach—Seller Plaintiff (not fraud or negligence)  
Negligent Breach of Contract/Warranty  
Other Breach of Contract/Warranty  
Collections (e.g., money owed, open book accounts) (09)  
Collection Case—Seller Plaintiff  
Other Promissory Note/Collections Case  
Insurance Coverage (not provisionally complex) (18)  
Auto Subrogation  
Other Coverage  
Other Contract (37)  
Contractual Fraud  
Other Contract Dispute

## Real Property

Eminent Domain/Inverse Condemnation (14)  
Wrongful Eviction (33)  
Other Real Property (e.g., quiet title) (26)  
Writ of Possession of Real Property  
Mortgage Foreclosure  
Quiet Title  
Other Real Property (not eminent domain, landlord/tenant, or foreclosure)

## Unlawful Detainer

Commercial (31)  
Residential (32)  
Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)

## Judicial Review

Asset Forfeiture (05)  
Petition Re: Arbitration Award (11)  
Writ of Mandate (02)  
Writ—Administrative Mandamus  
Writ—Mandamus on Limited Court Case Matter  
Writ—Other Limited Court Case Review  
Other Judicial Review (39)  
Review of Health Officer Order  
Notice of Appeal—Labor Commissioner Appeals

## Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)  
Construction Defect (10) Claims Involving Mass Tort (40) Securities Litigation (28)  
Environmental/Toxic Tort (30)  
Insurance Coverage Claims (arising from provisionally complex case type listed above) (41)

## Enforcement of Judgment

Enforcement of Judgment (20)  
Abstract of Judgment (Out of County)  
Confession of Judgment (non-domestic relations)  
Sister State Judgment  
Administrative Agency Award (not unpaid taxes)  
Petition/Certification of Entry of Judgment on Unpaid Taxes  
Other Enforcement of Judgment Case

Miscellaneous Civil Complaint  
RICO (27)

Other Complaint (not specified above) (42)

Declaratory Relief Only  
Injunctive Relief Only (non-harassment)

Mechanics Lien  
Other Commercial Complaint Case (non-tort/non-complex)  
Other Civil Complaint (non-tort/non-complex)

## Miscellaneous Civil Petition

Partnership and Corporate Governance (21)  
Other Petition (not specified above) (43)

Civil Harassment  
Workplace Violence  
Elder/Dependent Adult Abuse  
Election Contest  
Petition for Name Change  
Petition for Relief from Late Claim  
Other Civil Petition

May. 14. 2014 7:12PM

No. 1081 P. 4/41

SHORT TITLE:

USC v. Kaiser Foundation Health Plan, Inc., et al.

CASE NUMBER

BC545469

**CIVIL CASE COVER SHEET ADDENDUM AND  
STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

**This form is required pursuant to Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.**

**Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:**

JURY TRIAL? ☒ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL 7 HOURS/ ☒ DAYS

**Item II. Indicate the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):**

**Step 1:** After first completing the Civil Case Cover Sheet form, find the main Civil Case Cover Sheet heading for your case in the left margin below, and, to the right in Column A, the Civil Case Cover Sheet case type you selected.

**Step 2:** Check one Superior Court type of action in Column B below which best describes the nature of this case.

**Step 3:** In Column C, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Local Rule 2.0.

**Applicable Reasons for Choosing Courthouse Location (see Column C below)**

- |  |  |
|--|--|
| 1. Class actions must be filed in the Stanley Mosk Courthouse, central district. | 6. Location of property or permanently garaged vehicle.    |
| 2. May be filed in central (other county, or no bodily injury/property damage).  | 7. Location where petitioner resides.                      |
| 3. Location where cause of action arose.   | 8. Location wherein defendant/respondent functions wholly. |
| 4. Location where bodily injury, death or damage occurred.                       | 9. Location where one or more of the parties reside.       |
| 5. Location where performance required or defendant resides.                     | 10. Location of Labor Commissioner Office                  |

**Step 4:** Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death – Uninsured Motorist	1., 2., 4.
Other Personal Injury/Property Damage/Wrongful Death Tort	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage <input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2. 2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1., 4.
		<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall) <input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.) <input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress <input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 4. 1., 4. 1., 3. 1., 4.

May. 14. 2014 7:12PM

No. 1081 P. 5/41

SHORT TITLE:

USC v. Kaiser Foundation Health Plan, Inc., et al.

CASE NUMBER

Non-Personal Injury/Property  
Damage/ Wrongful Death Tort

Employment

Contract

Real Property

Unlawful Detainer

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 3.
Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not unlawful detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input checked="" type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels_____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer-Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer-Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Post-Foreclosure (34)	<input type="checkbox"/> A6020F Unlawful Detainer-Post-Foreclosure	2., 6.
Unlawful Detainer-Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.

May. 14. 2014 7:13PM

No. 1081 P. 6/41

SHORT TITLE:

USC v. Kaiser Foundation Health Plan, Inc., et al.

CASE NUMBER

Judicial Review

Provisionally Complex Litigation

Enforcement  
of JudgmentMiscellaneous  
Civil ComplaintsMiscellaneous  
Civil Petitions

A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.
Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
Construction Defect (10)	<input type="checkbox"/> A6007 Construction Defect	1., 2., 3.
Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
Partnership Corporation Governance (21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition	2., 3., 9. 2., 3., 9. 2., 3., 9. 2. 2., 7. 2., 3., 4., 8. 2., 9.

May. 14. 2014 7:13PM

No. 1081 P. 7/41

SHORT TITLE:

USC v. Kaiser Foundation Health Plan, Inc., et al.

CASE NUMBER

**Item III. Statement of Location:** Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

<b>REASON:</b> Check the appropriate boxes for the numbers shown under Column C for the type of action that you have selected for this case.  <input type="checkbox"/> 1. <input type="checkbox"/> 2. <input checked="" type="checkbox"/> 3. <input type="checkbox"/> 4. <input checked="" type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.			<b>ADDRESS:</b>  1500 San Pablo St. Los Angeles, CA 90033
<b>CITY:</b>  Los Angeles	<b>STATE:</b>  CA	<b>ZIP CODE:</b>  90033	

**Item IV. Declaration of Assignment:** I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Stanley Mosk courthouse in the Central District of the Superior Court of California, County of Los Angeles [Code Civ. Proc., § 392 et seq., and Local Rule 2.0, subds. (b), (c) and (d)].

Dated: May 14, 2014
  
 (SIGNATURE OF ATTORNEY/FILING PARTY)

**PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:**

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet, Judicial Council form CM-010.
4. Civil Case Cover Sheet Addendum and Statement of Location form, LACIV 109, LASC Approved 03-04 (Rev. 03/11).
5. Payment in full of the filing fee, unless fees have been waived.
6. A signed order appointing the Guardian ad Litem, Judicial Council form CIV-010, if the plaintiff or petitioner is a minor under 18 years of age will be required by Court in order to issue a summons.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.