

## **California self-funded payers that compensated Sutter Health for their members' anesthesia services could receive money from a class action settlement**

*A court authorized this notice. This is not a solicitation by a lawyer.*

### **YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT, SO PLEASE READ THIS NOTICE CAREFULLY**

- This is a notice of a proposed settlement of a class action lawsuit. This notice has important information if you are a member of the Class described below. You are receiving this notice because records in the case indicate that you may be a Class Member. On April 8, 2022, notice was given of the Court's certification of a Class in this lawsuit.
- Defendants have agreed to pay \$11 million ("Settlement Fund") to resolve the Class's claims against them. If approved by the Court, the Settlement will fully resolve the class action lawsuit against Defendants.
- If you are a Class Member and you do nothing, **you will not share in the Settlement Fund**, even if the Settlement is approved. To receive your share of the Settlement Fund if you are a Class Member, **you must complete, sign and return either the enclosed Claim Form or the online Claim Form according to its instructions**. Class Members are releasing the Released Claims regardless of whether or not they submit the Claim Form.
- The Court has preliminarily approved the Settlement and scheduled a hearing ("Fairness Hearing") to decide final approval of the Settlement, the plan for allocating the Settlement Fund to Class Members, and Plaintiff's Counsel's (or "Class Counsel's") application for attorneys' fees and expenses and service award to Plaintiff District Council #16. The Fairness Hearing is scheduled for **July 24, 2025, at 10:00 a.m. PT** before the Hon. Judge Michael Markman of the Superior Court of California, County of Alameda, in Department 23, Administration Building, 1221 Oak Street, Oakland, CA 94612. You may appear at the Fairness Hearing, either in person or through an attorney, to object to part or all of the proposed Settlement and/or Class Counsel's application, or otherwise be heard. You may also object to the proposed Settlement in writing following the procedures set forth below.
- The process by which Class Members can claim a share of the Settlement Fund is to complete, sign, and return the enclosed Claim Form to the Claims Administrator according to its instructions. The Claim Form may also be completed and submitted to the Claims Administrator online at [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com). The completed and signed form must be mailed to the Claims Administrator at Sutter Anesthesia Billing Lawsuit Settlement, c/o JND Legal Administration, P.O. Box 91208, Seattle, WA 98111, postmarked no later than **June 09, 2025**, or completed and electronically signed online by **June 09, 2025**. If the Claim Form is timely submitted, the Class Member will receive a share of the Settlement Fund. The share of the Settlement Fund will be calculated *pro rata* based on information regarding the cumulative total of annual active participants in California between 2003 and 2013 as provided by each Class Member on the Claim Form pursuant to the Claim Form's instructions.

## CLASS MEMBERS' LEGAL RIGHTS AND OPTIONS

<b>PROMPTLY COMPLETE, SIGN, AND RETURN THE CLAIM FORM</b>	A Claim Form is enclosed with this notice. If you are a Class Member and you wish to claim your share of the Settlement Fund, you will need to complete and sign the Claim Form and mail it to the Claims Administrator, postmarked by <b>June 09, 2025</b> , or complete, electronically sign, and submit the Claim Form online by <b>June 09, 2025</b> . If you do so, you will be mailed a check for a share amount calculated <i>pro rata</i> based on the number of active participants in your plan from 2003 through 2013 that you list.
<b>IF YOU DO NOTHING</b>	If you are a Class Member and do nothing, you will not share in the Settlement Fund. To receive a share of the Settlement Fund, you must complete, sign and return either the enclosed Claim Form, or the online Claim Form according to its instructions. Class Members are releasing the Released Claims regardless of whether they submit a Claim Form.
<b>OBJECT TO THE SETTLEMENT</b>	You may object to part or all of the Settlement and/or to Class Counsel's request for fees and expenses and a service award for the Class Representative. To do so, you can file your objection with the Court by <b>May 12, 2025</b> , stating your objections to part or all of the Settlement and/or the request for fees and costs. Whether or not you submit a written objection, you can also appear at the Fairness hearing to object.
<b>GET MORE INFORMATION</b>	If you would like to obtain more information about the lawsuit or the Settlement, you can send questions to the Claims Administrator identified in this notice, or review documents at <a href="http://www.SutterAnesthesiaBillingLawsuit.com">www.SutterAnesthesiaBillingLawsuit.com</a>

## **BASIC INFORMATION**

### **1. Why was this notice issued?**

You received this notice because according to available records you may be a member of the Class certified by the Court in the lawsuit *District Council #16 v. Sutter Health, et al.*, Alameda County Superior Court, Case No. RG15753647, pending in the Superior Court of California, County of Alameda. For information about whether you are a Class Member, see Question #3.

The Court has preliminarily approved the Settlement and will hold a Fairness Hearing on **July 24, 2025**, to decide whether the proposed Settlement is fair, reasonable, and provides adequate compensation to members of the Class and whether to finally approve the Settlement.

### **2. What is the lawsuit about?**

This lawsuit was filed on January 6, 2015, and is pending in the Superior Court of California, County of Alameda. The Honorable Michael Markman is presiding over this case. The entity that sued is called the Plaintiff, and the entities it sued are collectively called the Defendants.

Plaintiff alleges that Sutter Health violated California's Unfair Competition Law, Business & Professions Code § 17200. Specifically, Plaintiff alleges that Sutter Health engaged in fraudulent, unlawful, and unfair business practices by submitting and receiving payment on bills for "anesthesia services" that were not rendered, were double-billed, and were described in a misleading manner, and that this resulted in self-funded payers paying more for anesthesia services than they should have.

Sutter Health denies the allegations and denies that any of its practices were unfair or deceptive. Sutter Health asserts that its practices fully complied with all applicable laws, and it denies that Plaintiff and the Class are entitled to receive any money or other relief from Sutter Health. A copy of the Complaint is available at [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com).

### **3. Who is included in the Class?**

On June 30, 2021, this Court certified a Class consisting of all self-funded payers that were citizens of California on January 6, 2015 or that are state and local governmental entities of the State of California, and that compensated Sutter Health for any anesthesia services, other than conscious sedation, administered in Sutter Health's operating rooms at acute care hospitals at any time from January 1, 2003 to December 31, 2013.

You are a self-funded payer if you are an entity (such as an employer, union, or healthcare benefits trust) that funds the healthcare expenses of your employees or members, meaning that you pay for claims submitted by healthcare providers out of your own health plan funds, as the claims are presented. You are not a self-funded payer if you are an individual.

You are a citizen of California if: (a) you are organized under the laws of California, or (b) you have your principal place of business in California. For purposes of class membership, you are considered a citizen of California if you were a California citizen on January 6, 2015, regardless of whether you remained a California citizen after that date. If you are a California governmental entity (including, but not limited to, a city, a county, a hospital district, a school district, a fire protection district, a water or irrigation district, a transit or transportation district, a joint powers agency or authority, a public university, a department within the State, a superior court, the Judicial Council of California, or the Major Risk Medical Insurance

Program) and are also a self-funded payer that compensated Sutter Health, you are included in the Class, whether or not you are a California citizen.

Excluded from the Class are: (1) Sutter Health and any entity in which Sutter Health has a controlling interest or which has a controlling interest in Sutter Health; (2) Sutter Health's legal representatives, assigns, and successors; and (3) the judge(s) to whom this case is assigned and any member of the judge's immediate family.

You are not a Class Member if you timely opted out of the Class after it was certified by the Court. The Court's deadline to opt out was June 7, 2022.

#### **4. Why is there a Settlement?**

The Court has not decided which side is correct or whether any laws were violated. Instead, Defendants, District Council #16 individually and on behalf of the Class, agreed to settle the case and avoid the cost, risk, and delay of trial and possible appeals.

The Settlement is the product of extensive negotiations between Plaintiffs and Defendants with the assistance of a private mediator after lengthy, hard-fought litigation. Class Counsel negotiated with counsel for Defendants a Settlement Agreement providing for a payment of \$11 million in exchange for a release to resolve the claims Plaintiffs brought against the Defendants.

#### **5. What does the Settlement provide?**

If the Court approves the Settlement, the Settlement Fund (\$11 million), plus accrued interest and minus the amounts the Court awards for attorneys' fees, expenses, and a Class Representative service award, will be distributed according to a plan of allocation approved by the Court to Class Members who timely submit the enclosed Claim Form or the online Claim Form. After the distribution process is complete, any unpaid cash residue and unclaimed or abandoned funds, plus any interest that has accrued thereon, will be distributed evenly to Community HealthWorks and Journey Health to support patient navigation for uninsured and Medi-Cal patients.

In exchange for the \$11 million payment, Defendants and related entities will be released from all claims that were made or could have been made by Class Members arising from or relating to the conduct alleged in the complaint. The Released Claims include but are not limited to claims regarding Defendants' billing practices relating to anesthesia, including billing under the 37x, 36x, and 25x revenue codes. The full text of the release is included in the Settlement Agreement available at [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com).

The Settlement will become effective after it has been approved by the Court, the Court has entered a Final Judgment and Order, and after completion of any appeals(s) that affirm the Court's approval of the Settlement. Plaintiffs and Defendants each have the right to terminate the Settlement if a term of the Settlement is held unenforceable. If the Settlement Agreement is terminated or not approved by the Court, or if the approval is appealed and not affirmed on appeal, the lawsuit will proceed as if the Settlement had not been reached.

#### **6. How much will my payment be?**

Class Counsel have proposed to the Court a plan for allocating the Settlement Fund to Class Members who submit valid claims ("Claiming Class Members."). The Settlement Fund will be distributed to Claiming Class Members minus the amounts awarded to Class Counsel as fees and expenses and to

Plaintiff District Council #16 as a service award (the “Net Settlement Fund”). If approved by the Court, the plan of allocation will distribute the Net Settlement Fund to Claiming Class Members *pro rata* based on the cumulative total of annual active participants listed by the Class Members on the Claim Form in the Class Member’s health plan in California between 2003 through 2013.

Active participants are those individuals who were employed at the end of the plan year and covered by the plan. If all your active participants are in California, this number is identified in your Form 5500, line 6a (2), or Form 5500-SF, line 5b. If Class Members do not have information regarding the number of active California participants for a particular year between 2003 and 2013, Class Members may still submit the Claim Form with information for the years they have it. Calculations regarding *pro rata* share will be determined based on the participants listed. Class Members who share in the Settlement will be provided information by Class Counsel about the weight of their claim based on the *pro rata* calculation, with their payments.

#### **7. When will I get a payment?**

The Net Settlement Fund can be distributed to Claiming Class Members only after certain events have occurred:

- The Court must approve the Settlement.
- The Claims Administrator will calculate Claiming Class Members’ *pro rata* shares according to the plan of allocation. Class Counsel will present the proposed distribution to the Court for approval.
- If the Court’s approval is appealed to one or more higher courts, the approval must be affirmed on appeal. An appeal can take two years or more.
- Once the Settlement is approved, and after completion of any appeal, or if no appeal is filed, the Claims Administrator will process and mail checks to Claiming Class Members.

It is difficult to predict how long the total process will take. Class Counsel estimates the process could take a year, and much longer if an appeal is filed.

#### **8. What am I giving up to get a payment?**

In exchange for the payment of \$11 million, Class Members are releasing Defendants and related entities and individuals from all claims that were asserted or could have been asserted arising from or relating to the conduct alleged in the complaint. The Released Claims are described fully in the Settlement Agreement available at [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com). Class Members are releasing the Released Claims regardless of whether or not they submit a Claim Form.

### **THE LAWYERS REPRESENTING YOU**

#### **9. Do I have a lawyer in this case?**

The following lawyers represent Plaintiff and all Class Members in this lawsuit as Class Counsel:

Christopher L. Lebsock  
Arthur N. Bailey, Jr.  
Bruce J. Wecker  
Tae Kim  
Hausfeld LLP  
580 California Street  
12th Floor

**10. Should I get my own lawyer?**

You do not need to hire your own lawyer because Class Counsel are working on your behalf in this lawsuit. If you want your own lawyer to represent you at court hearings in this lawsuit, you must pay for that lawyer, except to the extent that state and local governmental entities of the State of California may be represented by the Attorney General free of charge.

**11. How will the lawyers be paid?**

Class Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund up to 33 1/3% of the Settlement Fund. In the application, Class Counsel will apply to the Court for reimbursement of their litigation expenses from the Settlement Fund.

Class Counsel will also apply to the Court for payment from the Settlement Fund of Settlement-related expenses, which include the charges of the Claims Administrator for providing class notice, responding to Class Member inquiries, mailing and processing Claim Forms, distributing the Settlement Fund, and calculating Claiming Class Members' shares of the Settlement Fund.

Class Counsel's requests for fees, expenses and a service award will be paid only to the extent approved by the Court. Any such payments awarded by the Court will be deducted from the Settlement Fund. You will not have to pay these fees, expenses, or service awards out of your own pocket.

The motion for final approval of settlement, including the application of Class Counsel for an award of attorneys' fees, reimbursement and payment of expenses, and a service award to the Class Representative, will be filed with the Court and made available for download and/or viewing on or before **May 27, 2025** on [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com).

**12. Who is the Plaintiff and why is it seeking a service award?**

The Plaintiff is District Council #16 Northern California Health & Welfare Trust Fund ("District Council #16"), a health and welfare trust for the eligible union members of District Council #16 International Union of Painters and Allied Trades.

District Council #16 filed this lawsuit on January 6, 2015. On June 29, 2021, the Court appointed District Council #16 as the Class Representative to represent the Class.

In class actions, the Court may provide the Class Representative a "service award" in recognition of the time and effort expended in the case on behalf of the Class. In the application, Class Counsel will apply to the Court for a service award of \$10,000.00 from the Settlement Fund to Plaintiff District Council #16 for its services as Class Representative.

**OBJECTING TO THE SETTLEMENT AND REQUEST FOR ATTORNEYS' FEES,  
EXPENSES AND A SERVICE AWARD**

You can object – tell the Court you do not agree with – part or all of the Settlement and/or the application for attorneys' fees, expenses, estimated settlement administration costs, and a service award for District Council #16.

**13. How do I tell the Court that I do not agree with part or all of the Settlement and/or the application for fees, expenses and a service award?**

If you are a Class Member, you can object to and/or tell the Court that you do not agree with part or all of the Settlement and ask the Court to deny approval of the Settlement by filing an objection. You may file an objection to object to and/or tell the Court that you do not agree with and/or to deny part or all of Class Counsel's application for attorneys' fees and expenses and a service award to District Council #16, the Class Representative. You cannot ask the Court to order a larger Settlement; the Court can only approve or deny the Settlement. If the Court denies approval of the Settlement, no settlement payments will be sent out and the lawsuit will continue against the Defendants. If that is what you want to happen, you should object. If the Court rejects your objections, you will still be bound by the Settlement.

Any objection to all or part of the proposed Settlement of the application for attorneys' fees, expenses, and a service award to District Council #16 can be submitted in writing and filed with the Court, with copies served on Class Counsel and Defendants' Counsel, by **May 12, 2025**. You may also appear at the Fairness Hearing, either in person or through your own attorney. The court does not require a written objection or notice of intent to appear and will consider any oral objections made at the hearing. If you appear through your own attorney, you are responsible for paying that attorney. All written objections and supporting papers and written notices of intent to appear at the Fairness Hearing should identify the case name and number, *District Council #16 Northern California Health and Welfare Trust Fund, individually and on behalf of itself and all others similarly situated v. Sutter Health, et al.*, Case No. RG115753647. In addition, all written objections should (a) clearly identify the part of the Settlement or application for attorneys' fees, expenses, and a service award to District Council #16 to which the objection pertains, (b) explain the reason for the objection, (c) be filed with the Court, with copies served on Class Counsel and Defendants' Counsel, on or before **May 12, 2025**.

THE COURT	CLASS COUNSEL	DEFENDANTS' COUNSEL
Department 23 Superior Court of the State of California, County of Alameda 1221 Oak Street Oakland, CA 94612	Christopher L. Lebsock Arthur N. Bailey, Jr. Bruce J. Wecker Tae Kim Hausfeld LLP 580 California Street 12th Floor San Francisco, CA 94101 (415) 633-1908	Sharif E. Jacob Erin E. Meyer Anjali Srinivasan Maile Yeats-Rowe Ryan J. Hayward Michael K. Deamer Imara H. McMillan Niharika S. Sachdeva KEKER, VAN NEST & PETERS LLP 633 Battery Street San Francisco, CA 94111 (415) 391-5400

**THE COURT'S FAIRNESS HEARING**

The Court will hold a Fairness Hearing to decide whether to approve the Settlement and whether to approve Class Counsel's application for attorneys' fees, expenses, and a service award to District Council #16.



**14. When and where will the Court decide whether to approve the Settlement?**

The Court will hold a Fairness Hearing on **July 24, 2025 at 10:00 a.m. PT** in Department 23, California Superior Court, 1221 Oak Street, Oakland, CA 94612. At this hearing, the Court will consider whether to approve the Settlement as fair, reasonable and adequate. The Court will also consider whether to approve Class Counsel's application for attorneys' fees, expenses, and a service award for District Council #16. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the Settlement and/or Class Counsel's application. Counsel do not know how long these decisions will take.

**IMPORTANT:** The time and date of the hearing may change without additional mailed notice and without publication notice. For information updates on the hearing, visit [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com).

**15. Do I have to come to the hearing?**

No. Class Counsel will answer questions that the Court may have. But you are welcome to come at your own expense. If you submit a written objection, you do not have to come to the Court to talk about it, as the Court will consider your objection with or without an appearance. If you do not wish to submit a written objection, you also have the option to appear at the hearing and make an oral objection. You may also pay your own lawyer to attend, but it is not necessary. Moreover, attendance is not necessary to receive a *pro rata* share of the Net Settlement Fund.

**16. May I speak at the hearing?**

You may ask the Court for permission to speak at the Fairness Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.

**IF YOU DO NOTHING**

**17. What happens if I do nothing at all?**

If you are a Class Member and do nothing, **you will not share in the Settlement Fund**, even if the Settlement is approved. To receive a share of the Settlement Fund if you are a Class Member, **you must complete, sign and return either the enclosed Claim Form or the online Claim Form according to its instructions**. Class Members are releasing the Released Claims regardless of whether or not they submit the Claim Form.

**GETTING MORE INFORMATION**

**18. How do I get more information?**

You may obtain more information by contacting the Claims Administrator at [info@SutterAnesthesiaBillingLawsuit.com](mailto:info@SutterAnesthesiaBillingLawsuit.com), or by contacting Class Counsel at (415) 633-1908 or [abaley@hausfeld.com](mailto:abaley@hausfeld.com). You can get a copy of the complaint, the Settlement Agreement, and other important information about the lawsuit at [www.SutterAnesthesiaBillingLawsuit.com](http://www.SutterAnesthesiaBillingLawsuit.com).

**DO NOT WRITE OR CALL THE COURT OR  
THE CLERK'S OFFICE FOR INFORMATION.**