

1 [Settlement of Lawsuit - Blue Cross of California and Anthem Blue Cross Life and Health
Insurance Company - City to Receive \$6,250,000 and Future Payments]

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3 **Ordinance authorizing settlement of the lawsuit filed by the City Attorney, acting on**
4 **behalf of the People of the State of California, against Blue Cross of California dba**
5 **Anthem Blue Cross, Anthem Blue Cross Life and Health Insurance Company**
6 **(collectively, "Blue Cross") and Health Net of California for the payment by Blue Cross**
7 **of \$6,250,000 in restitution and civil penalties for under-reimbursing Zuckerberg San**
8 **Francisco General Hospital and Trauma Center ("ZSFG") for emergency medical care**
9 **provided to Blue Cross's insureds prior to July 1, 2015, and for the payment of**
10 **additional amounts for such emergency medical care provided between July 1, 2015,**
11 **and June 30, 2019; the lawsuit was filed on May 24, 2011, in San Francisco Superior**
12 **Court, Case No. 11-511181; entitled People of the State of California v. Blue Cross of**
13 **California, et al.; other material terms of said settlement are that Blue Cross and the**
14 **City will enter into a prompt payment agreement under which Blue Cross agrees to pay**
15 **and ZSFG agrees to accept certain specified rates for treatment provided by ZSFG to**
16 **Blue Cross's insureds for emergency medical services rendered from July 1, 2015,**
17 **through at least June 30, 2019.**

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19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. Pursuant to Charter, Section 6.102(5), the Board of Supervisors hereby
21 authorizes the City Attorney to settle the action entitled People of the State of California v.
22 Blue Cross of California, et al., San Francisco Superior Court No. 11-511181, by the payment
23 of \$6,250,000 by Blue Cross of California dba Anthem Blue Cross and Anthem Blue Cross
24 Life and Health Insurance Company (collectively, "Blue Cross"), and by future prompt
25 payments by Blue Cross to Zuckerberg San Francisco General Hospital and Trauma Center

1 (“ZSFG”), at certain agreed upon rates, for emergency medical treatment provided to
2 Blue Cross’s insureds. The lawsuit involves the People of California’s allegation that Blue
3 Cross was systematically underpaying ZSFG for emergency medical care provided to Blue
4 Cross’s insureds.

5 Section 2. The above-named action was filed in San Francisco Superior Court on
6 May 24, 2011, and the following parties were named in the lawsuit: the People of the State of
7 California, plaintiff; Blue Cross of California dba Anthem Blue Cross, Anthem Blue Cross Life
8 and Health Insurance Company, and Health Net of California, Inc. defendants.

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APPROVED AS TO FORM AND
RECOMMENDED:

DENNIS J. HERRERA
City Attorney

OWEN J. CLEMENTS
Chief of Special Litigation

RECOMMENDED:

DEPARTMENT OF PUBLIC HEALTH

BARBARA A. GARCIA
Director

APPROVED:

Mark Morewitz
Secretary
PUBLIC HEALTH COMMISSION

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