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11 Attorneys for Plaintiff,
 12 STANFORD HEALTH CARE

13
 14 IN THE UNITED STATES DISTRICT COURT
 15 NORTHERN DISTRICT OF CALIFORNIA
 16 SAN JOSE DIVISION

17 STANFORD HEALTH CARE, a
 18 California nonprofit corporation;

19 Plaintiff,

20 v.

21 ANTHEM INSURANCE COMPANIES,
 22 an Indiana insurance corporation; and
 23 DOES 1 THROUGH 25, inclusive,

24 Defendants.

Case No.:

COMPLAINT FOR DAMAGES FOR:

1. BREACH OF IMPLIED IN FACT CONTRACT; AND
2. *QUANTUM MERUIT*

1 **COMPLAINT FOR DAMAGES**

2
3 **PARTIES**

4
5 1. Plaintiff STANFORD HEALTH CARE ("STANFORD
6 HOSPITAL") is a nonprofit corporation organized and existing pursuant to the
7 laws of the State of California. STANFORD HOSPITAL has its principal place of
8 business in the County of Santa Clara, State of California. STANFORD
9 HOSPITAL renders medically necessary services (including emergency services),
10 supplies and/or equipment to patients.

11
12 2. Defendant ANTHEM INSURANCE COMPANIES ("BCBS
13 INDIANA") is an insurance company that is organized and existing pursuant to the
14 laws of the State of Indiana. BCBS INDIANA has its principal place of business in
15 the City of Indianapolis, State of Indiana. BCBS INDIANA arranges for the
16 provision of health care services to its enrollees and/or pays for or reimburses part
17 or all of the costs for those services.

18
19 3. STANFORD HOSPITAL is unaware of the true names and
20 capacities, whether corporate, associate, individual, partnership or otherwise of
21 defendants Does 1 through 25, inclusive, and therefore sues such defendants by
22 such fictitious names. STANFORD HOSPITAL will seek leave of the Court to
23 amend this complaint to allege their true names and capacities when ascertained.

24
25 4. Defendant BCBS INDIANA and Does 1 through 25, inclusive,
26 shall be collectively referred to as "Defendants."

27
28 5. Defendants, and each of them, at all relevant times, have

1 transacted business in the State of California.

2
3 6. STANFORD HOSPITAL is informed, believes, and thereon
4 alleges that at all relevant times, each of the defendants, including the defendants
5 named "Doe" were and are the agent, employee, employer, joint venturer,
6 representative, alter ego, subsidiary, and/or partner of one or more of the other
7 defendants, and were, in performing the acts complained of herein, acting within
8 the scope of such agency, employment, joint venture, or partnership authority,
9 and/or are in some other way responsible for the acts of one or more of the other
10 defendants.

11
12 **JURISDICTION AND VENUE**

13
14 7. Federal diversity jurisdiction exists pursuant to 28 U.S.C.
15 Section 1332. Plaintiff is a California nonprofit corporation with its principal place
16 of business in Santa Clara, California. Defendant BCBS INDIANA is an insurance
17 corporation that is organized and existing pursuant to the laws of the State of
18 Indiana. Therefore, complete diversity of citizenship exists. The amount in
19 controversy, exclusive of interest and costs, exceeds the sum or value of \$75,000.

20
21 8. Venue in the Norther District of California is proper pursuant to
22 28 U.S.C. Section 1391 because a substantial part of the events or omissions on
23 which the claims asserted herein are based in this District.

24
25 **COMMON FACTUAL BACKGROUND**

26
27 9. On various dates of service, STANFORD HOSPITAL provided
28 medically necessary services, supplies and/or equipment to patients identified in

1 Exhibit A (the “Patients”)¹

2
3 10. STANFORD HOSPITAL is informed and believes and thereon
4 alleges that at all relevant times, the Patients were an enrolled beneficiary and/or
5 member of a health plan sponsored, administered and/or funded by BCBS
6 INDIANA.

7
8 11. At all relevant times, BCBS INDIANA and/or its agent and/or
9 affiliate authorized the medical services rendered to the Patients by STANFORD
10 HOSPITAL.

11
12 12. STANFORD HOSPITAL’s usual and customary total billed
13 charges for the medically necessary care rendered to the Patients amounted to
14 \$2,047,769.76.

15
16 13. STANFORD HOSPITAL timely and properly submitted the
17 bill for payment for the medically necessary care rendered to the Patients.

18
19 14. To date, BCBS INDIANA and/or its agents have issued only
20 \$78,771.30 for the medically necessary services rendered to the Patients.

21
22 **COUNT ONE**

23 (BREACH OF IMPLIED-IN-FACT CONTRACT)

24
25 15. STANFORD HOSPITAL incorporates by reference the
26

27
28 ¹ Stanford has limited disclosure of patient identification here pursuant to the privacy provisions
of the Health Insurance Portability & Accountability Act (“HIPAA”), 42 U.S.C. §§ 1320d *et seq.*

1 allegations contained in paragraphs 1-14 as if fully set forth herein.
2

3 16. At all relevant times, Anthem Blue Cross was a party to a
4 written contract with STANFORD HOSPITAL (the “STANFORD HOSPITAL /
5 Anthem Contract”). According to the STANFORD HOSPITAL / Anthem
6 Contract, STANFORD HOSPITAL agreed to render medically necessary care to
7 individual enrollees of Anthem Blue Cross health plans, including out-of-state
8 affiliates of Anthem Blue Cross as part of the Blue Card Program. In exchange for
9 access to the discounted rates at STANFORD HOSPITAL called for in the
10 contract, each such affiliate was to pay such hospitals and/or physicians for the
11 medically necessary care rendered to the individual enrollees of that affiliate's
12 health plan.
13

14 17. At all relevant times, BCBS INDIANA was an out-of-state
15 affiliate of Anthem Blue Cross subject to the STANFORD HOSPITAL / Anthem
16 Contract and hence agreed to pay hospitals and/or physicians for the medically
17 necessary care rendered to the individual enrollees of BCBS INDIANA pursuant to
18 the terms of the STANFORD HOSPITAL / Anthem Contract.
19

20 18. At all relevant times, STANFORD HOSPITAL was a party to
21 the STANFORD HOSPITAL / Anthem Contract as a provider of medically
22 necessary care for the benefit of all individual enrollees of Anthem Blue Cross and
23 out-of-state Anthem Blue Cross affiliates' health plans. Thus, under the
24 STANFORD HOSPITAL / Anthem Contract, STANFORD HOSPITAL agreed to
25 render medically necessary care to the individual enrollees of BCBS INDIANA; in
26 exchange, BCBS INDIANA, as a member of the Blue Card Program, agreed to pay
27 STANFORD HOSPITAL the negotiated rates pursuant to the terms of the
28 STANFORD HOSPITAL / Anthem Contract for that care. In general, the

1 negotiated rates under the STANFORD HOSPITAL / Anthem Contract provided
2 for medically necessary care to be paid at a discount off of STANFORD
3 HOSPITAL's usual and customary total billed charges.

4
5 19. Under the STANFORD HOSPITAL / Anthem Contract,
6 STANFORD HOSPITAL agreed to submit bills, through Anthem Blue Cross, to
7 BCBS INDIANA reflecting STANFORD HOSPITAL's usual and customary total
8 billed charges associated with rendering medically necessary care to the individual
9 enrollees of BCBS INDIANA. In exchange, BCBS INDIANA agreed to process
10 and pay such claims according to the STANFORD HOSPITAL / Anthem Contract
11 (i.e., STANFORD HOSPITAL's usual and customary total billed charges less a
12 specified discount).

13
14 20. STANFORD HOSPITAL's usual and customary total billed
15 charges for rendering the medically necessary care to the Patients amounted to
16 \$2,047,769.76. According to the STANFORD HOSPITAL / Anthem Contract,
17 BCBS INDIANA owed STANFORD HOSPITAL a balance of \$294,173.01, after
18 application of the STANFORD HOSPITAL / Anthem Contract discount.

19
20 21. To date, BCBS INDIANA has paid only \$78,771.30 for the
21 medically necessary services rendered to the Patients. As a result of the breach by
22 BCBS INDIANA, STANFORD HOSPITAL suffered damages in the sum of
23 \$215,401.71, the amount due pursuant to the STANFORD HOSPITAL / Anthem
24 Contract.

25
26 **COUNT TWO**

(*QUANTUM MERUIT*)

1
2
3 22. STANFORD HOSPITAL incorporates by reference the
4 allegations contained in paragraphs 1-13 as if fully set forth herein.
5

6 23. In the alternative, should it be found no contractual relationship
7 exists between STANFORD HOSPITAL and BCBS INDIANA and/or its agents
8 should nevertheless be fully paid under the theory of *quantum meruit*.
9

10 24. STANFORD HOSPITAL is informed and believes and thereon
11 alleges that BCBS INDIANA and/or its agents promised its beneficiaries
12 (including the Patients) it would arrange for and/or pay for medically necessary
13 care needed by them. Accordingly, when STANFORD HOSPITAL rendered
14 medically necessary care to the Patients, BCBS INDIANA benefited because
15 STANFORD HOSPITAL thereby assisted BCBS INDIANA in meeting its
16 obligation to arrange for and/or pay for medically necessary care to its enrollees,
17 including the Patients.
18

19 25. By its words and/or conduct, BCBS INDIANA and/or its agent
20 requested that STANFORD HOSPITAL provide the Patients. with medically
21 necessary care.
22

23 26. Acting pursuant to BCBS INDIANA's implied and/or express
24 request, STANFORD HOSPITAL provided medically necessary care to the
25 Patients.
26

27 27. STANFORD HOSPITAL's rendering of medically necessary
28 care to the Patients was intended to, and did, benefit the Patients, and therefore

1 BCBS INDIANA.

2
3 28. For rendering the medically necessary care to the Patients,
4 STANFORD HOSPITAL reasonably expected BCBS INDIANA to fully
5 reimburse STANFORD HOSPITAL its billed rate of \$2,047,769.76.

6
7 29. BCBS INDIANA has paid only \$78,771.30 and continues to
8 refuse to properly reimburse STANFORD HOSPITAL, leaving an outstanding
9 balance of \$1,968,998.46, despite demands thereof.

10
11 30. Within the past two years, STANFORD HOSPITAL demanded
12 BCBS INDIANA and/or its agents to pay for the medically necessary care
13 rendered to the Patients but BCBS INDIANA and/or its agents have refused.

14
15 31. As a result of BCBS INDIANA's misconduct and/or the
16 misconduct of its agents, STANFORD HOSPITAL has suffered damages in the
17 amount of \$1,968,998.46.

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28 ///

PRAYER FOR RELIEF

WHEREFORE, STANFORD HOSPITAL prays for judgment as follows:

For the First Cause of Action:

1. for the principal sum of \$215,401.71 and for interest on such principal sum at the rate of 15% per annum, pursuant to Cal. Health & Safety Code § 1371; or, in the alternative, for interest on such principal sum at the rate of 10% per annum, pursuant to Cal. Civ. Code § 3289;

For the Second Cause of Action (in the alternative):

1. for the principal sum of \$1,968,998.46 and for interest on such principal sum at the rate of 15% per annum, pursuant to Cal. Health & Safety Code § 1371; or, in the alternative, for interest on such principal sum at the rate of 10% per annum, pursuant to Cal. Civ. Code § 3289;

For all Causes of Action:

2. for all costs of suit incurred herein; and,
3. for such other and further relief as the Court deems just and proper.

Dated: 16 April 2021

LAW OFFICES OF STEPHENSON,
ACQUISTO & COLMAN, INC.

/s/ Jennifer Jiao

JENNIFER JIAO
Attorneys for
STANFORD HEALTH CARE

EXHIBIT A

STANFORD HEALTH CARE V. BLUE CROSS BLUE SHIELD OF INDIANA

FC 27255

No.	Last Name	First Name	File Number	Admit Date	Discharge Date	Patient ID	Total Charges	Expected	Total Paid	Underpaid
1	B	A	000063441383	12/11/2018	12/14/2018	YZD988M95794	\$348,359.40	\$59,991.32	\$38,348.32	\$21,643.00
2	B	C	000064800472	6/5/2019	6/5/2019	XDP723M89854	\$16,953.00	\$10,049.74	\$4,960.78	\$5,088.96
3	H	C	000066130809	1/10/2020	1/10/2020	VWF237A20401	\$103,929.76	\$35,473.02	\$377.20	\$35,095.82
4	L	K	000065887666	3/4/2020	3/4/2020	XDP032A55900	\$16,328.11	\$10,938.00	\$0.00	\$10,938.00
5	S	H	000063540520	11/17/2018	1/4/2019	XDP606M92664	\$1,143,757.22	\$16,116.00	\$0.00	\$16,116.00
6	V	C	000066392230	2/17/2020	2/19/2020	YZD675M77706	\$169,127.25	\$44,654.93	\$0.00	\$44,654.93

\$1,798,454.74 \$177,223.01 \$43,686.30 \$133,536.71

CIVIL COVER SHEET

The JS-CAND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

DEFENDANTS

County of Residence of First Listed Defendant (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- 1 U.S. Government Plaintiff 3 Federal Question (U.S. Government Not a Party)
2 U.S. Government Defendant 4 Diversity (Indicate Citizenship of Parties in Item III)

Table with columns for PTF and DEF for Citizen of This State, Citizen of Another State, and Citizen or Subject of a Foreign Country.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with columns: CONTRACT, REAL PROPERTY, TORTS, CIVIL RIGHTS, PRISONER PETITIONS, HABEAS CORPUS, OTHER, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding 2 Removed from State Court 3 Remanded from Appellate Court 4 Reinstated or Reopened 5 Transferred from Another District (specify) 6 Multidistrict Litigation-Transfer 8 Multidistrict Litigation-Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):

Brief description of cause:

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, Fed. R. Civ. P. DEMAND \$

CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S), IF ANY (See instructions):

JUDGE

DOCKET NUMBER

IX. DIVISIONAL ASSIGNMENT (Civil Local Rule 3-2)

(Place an "X" in One Box Only) SAN FRANCISCO/OAKLAND SAN JOSE EUREKA-MCKINLEYVILLE

DATE

SIGNATURE OF ATTORNEY OF RECORD

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS-CAND 44

Authority For Civil Cover Sheet. The JS-CAND 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved in its original form by the Judicial Conference of the United States in September 1974, is required for the Clerk of Court to initiate the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I. a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
 - b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the “defendant” is the location of the tract of land involved.)
 - c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section “(see attachment).”
- II. Jurisdiction.** The basis of jurisdiction is set forth under Federal Rule of Civil Procedure 8(a), which requires that jurisdictions be shown in pleadings. Place an “X” in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
- (1) United States plaintiff. Jurisdiction based on 28 USC §§ 1345 and 1348. Suits by agencies and officers of the United States are included here.
 - (2) United States defendant. When the plaintiff is suing the United States, its officers or agencies, place an “X” in this box.
 - (3) Federal question. This refers to suits under 28 USC § 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
 - (4) Diversity of citizenship. This refers to suits under 28 USC § 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS-CAND 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an “X” in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.
- V. Origin.** Place an “X” in one of the six boxes.
- (1) Original Proceedings. Cases originating in the United States district courts.
 - (2) Removed from State Court. Proceedings initiated in state courts may be removed to the district courts under Title 28 USC § 1441. When the petition for removal is granted, check this box.
 - (3) Remanded from Appellate Court. Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
 - (4) Reinstated or Reopened. Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
 - (5) Transferred from Another District. For cases transferred under Title 28 USC § 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
 - (6) Multidistrict Litigation Transfer. Check this box when a multidistrict case is transferred into the district under authority of Title 28 USC § 1407. When this box is checked, do not check (5) above.
 - (8) Multidistrict Litigation Direct File. Check this box when a multidistrict litigation case is filed in the same district as the Master MDL docket. Please note that there is no Origin Code 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC § 553. Brief Description: Unauthorized reception of cable service.
- VII. Requested in Complaint.** Class Action. Place an “X” in this box if you are filing a class action under Federal Rule of Civil Procedure 23. Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction. Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS-CAND 44 is used to identify related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.
- IX. Divisional Assignment.** If the Nature of Suit is under Property Rights or Prisoner Petitions or the matter is a Securities Class Action, leave this section blank. For all other cases, identify the divisional venue according to Civil Local Rule 3-2: “the county in which a substantial part of the events or omissions which give rise to the claim occurred or in which a substantial part of the property that is the subject of the action is situated.”
- Date and Attorney Signature.** Date and sign the civil cover sheet.

AO 440 (Rev. 06/12) Summons in a Civil Action

UNITED STATES DISTRICT COURT

for the

_____ District of _____

Plaintiff(s)

v.

Defendant(s)

)
)
)
)
)
)
)
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Civil Action No.

SUMMONS IN A CIVIL ACTION

To: *(Defendant's name and address)*

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it) — or 60 days if you are the United States or a United States agency, or an officer or employee of the United States described in Fed. R. Civ. P. 12 (a)(2) or (3) — you must serve on the plaintiff an answer to the attached complaint or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff or plaintiff's attorney, whose name and address are:

If you fail to respond, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

CLERK OF COURT

Date: _____

Signature of Clerk or Deputy Clerk

Civil Action No. _____

PROOF OF SERVICE

(This section should not be filed with the court unless required by Fed. R. Civ. P. 4 (l))

This summons for *(name of individual and title, if any)* _____
was received by me on *(date)* _____.

I personally served the summons on the individual at *(place)* _____
_____ on *(date)* _____; or

I left the summons at the individual's residence or usual place of abode with *(name)* _____
_____, a person of suitable age and discretion who resides there,
on *(date)* _____, and mailed a copy to the individual's last known address; or

I served the summons on *(name of individual)* _____, who is
designated by law to accept service of process on behalf of *(name of organization)* _____
_____ on *(date)* _____; or

I returned the summons unexecuted because _____; or

Other *(specify)*: _____.

My fees are \$ _____ for travel and \$ _____ for services, for a total of \$ _____.

I declare under penalty of perjury that this information is true.

Date: _____

Server's signature

Printed name and title

Server's address

Additional information regarding attempted service, etc: