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 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 USABLE MUTUAL INSURANCE
 22 COMPANY d/b/a/ ARKANSAS BLUE
 23 CROSS AND BLUE SHIELD, an
 24 Arkansas insurance company; and DOES
 25 1 THROUGH 25, inclusive,

26 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 USABLE MUTUAL INSURANCE COMPANY
13 d/b/a/ ARKANSAS BLUE CROSS AND BLUE SHIELD ("ARKANSAS BCBS")
14 is an insurance company that is organized and existing pursuant to the laws of the
15 State of Arkansas. ARKANSAS BCBS has its principal place of business in the
16 City of Little Rock, State of Arkansas. ARKANSAS BCBS arranges for the
17 provision of health care services to its enrollees and/or pays for or reimburses part
18 or all of the costs for those services.

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

25
26 4. Defendant ARKANSAS BCBS and Does 1 through 25,
27 inclusive, shall be collectively referred to as "Defendants."
28

1 STANFORD HOSPITAL provided medically necessary services, supplies and/or
2 equipment to Patient T.H. (“Patient T.H.”)¹

3
4 10. STANFORD HOSPITAL is informed and believes and thereon
5 alleges that at all relevant times, Patient T.H. was an enrolled beneficiary and/or
6 member of a health plan sponsored, administered and/or funded by ARKANSAS
7 BCBS.

8
9 11. STANFORD HOSPITAL’s usual and customary total billed
10 charges for the medically necessary care rendered to Patient T.H. from November
11 6, 2018 through November 27, 2018, amounted to \$227,905.61.

12
13 12. STANFORD HOSPITAL timely and properly submitted the
14 bill for payment for the medically necessary care rendered to Patient T.H.

15
16 13. To date, ARKANSAS BCBS and/or its agents have issued no
17 payment for the medically necessary services rendered to Patient T.H.

18
19 **COUNT ONE**

20 **(BREACH OF IMPLIED-IN-FACT CONTRACT)**

21
22 14. STANFORD HOSPITAL incorporates by reference the
23 allegations contained in paragraphs 1-13 as if fully set forth herein.

24
25 15. At all relevant times, Anthem Blue Cross was a party to a

26
27

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

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

10
11 16. At all relevant times, ARKANSAS BCBS was an out-of-state
12 affiliate of Anthem Blue Cross subject to the STANFORD HOSPITAL / Anthem
13 Contract and hence agreed to pay hospitals and/or physicians for the medically
14 necessary care rendered to the individual enrollees of ARKANSAS BCBS
15 pursuant to the terms of the STANFORD HOSPITAL / Anthem Contract.

16
17 17. At all relevant times, STANFORD HOSPITAL was a party to
18 the STANFORD HOSPITAL / Anthem Contract as a provider of medically
19 necessary care for the benefit of all individual enrollees of Anthem Blue Cross and
20 out-of-state Anthem Blue Cross affiliates' health plans. Thus, under the
21 STANFORD HOSPITAL / Anthem Contract, STANFORD HOSPITAL agreed to
22 render medically necessary care to the individual enrollees of ARKANSAS BCBS;
23 in exchange, ARKANSAS BCBS agreed to pay STANFORD HOSPITAL the
24 negotiated rates pursuant to the terms of the STANFORD HOSPITAL / Anthem
25 Contract for that care. In general, the negotiated rates under the STANFORD
26 HOSPITAL / Anthem Contract provided for medically necessary care to be paid at
27 a discount off of STANFORD HOSPITAL's usual and customary total billed
28 charges.

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