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PIERCE COUNTY, Clerk  
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**STATE OF WASHINGTON  
PIERCE COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,  
  
Plaintiff,

NO. 17-2-10901-6  
CONSENT DECREE

v.

FRANCISCAN HEALTH SYSTEM  
d/b/a CHI-FRANCISCAN HEALTH  
d/b/a ST. JOSEPH MEDICAL CENTER  
  
Defendant.

**I. JUDGMENT SUMMARY**

- 1.1 Judgment Creditor: State of Washington
- 1.2 Judgment Debtor: Franciscan Health System
- 1.3 Principal Judgment Amount: \$2,460,000  
Restitution pursuant to paragraph IV
- 1.4 Post Judgment Interest Rate: 12% per annum
- 1.5 Attorney for Judgment Creditor: Audrey Udashen  
Assistant Attorney General
- 1.6 Attorney for Judgment Debtor: Asher Funk  
Polsinelli PC  
  
Brad Fisher  
Davis Wright Tremaine LLP

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1 1.7 Plaintiff, State of Washington (State), having conducted an investigation and  
2 commenced this action pursuant to the Consumer Protection Act, RCW 19.86;

3 1.8 Defendant, Franciscan Health System (FHS), was served with a Summons and  
4 Complaint in this matter;

5 1.9 The State appears by and through its attorneys, Robert Ferguson, Attorney  
6 General, and Audrey Udashen, Assistant Attorney General;

7 1.10 Defendant appears by and through its attorneys, Asher Funk of Polsinelli PC and  
8 Brad Fisher of Davis Wright Tremaine LLP;

9 1.11 The State and Defendant agree on a basis for the settlement of the matters alleged  
10 in the Complaint and to the entry of this Consent Decree against Defendant without the need for  
11 trial or adjudication of any issue of law or fact;

12 1.12 Defendant recognizes and states that this Consent Decree is entered into  
13 voluntarily and that no promises or threats have been made by the Attorney General's Office or  
14 any member, officer, agent, or representative thereof to induce Defendant to enter into this  
15 Consent Decree, except as provided herein;

16 1.13 Defendant waives any right it may have to appeal from this Consent Decree;

17 1.14 Defendant further agrees that this Court retains jurisdiction of this action and  
18 jurisdiction over this Defendant for the purpose of implementing and enforcing the terms and  
19 conditions of this Consent Decree and for all other purposes related to this matter;

20 The Court finds no just reason for delay.

21 NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as  
22 follows:

23 **II. GENERAL**

24 2.1 This Court has jurisdiction over the subject matter of this action and over the  
25 parties based on the State's claims under the Consumer Protection Act, RCW 19.86.

26

1           2.2     For purposes of this Consent Decree, the term “Defendant” where not otherwise  
2 specified shall mean FHS including the following acute care hospitals: St. Elizabeth Hospital,  
3 St. Francis Hospital, Highline Medical Center, Harrison Medical Center, St. Anthony Hospital,  
4 St. Clare Hospital, and St. Joseph Medical Center. Certain elements of this Consent Decree apply  
5 to one of Defendant’s acute care hospitals, St. Joseph Medical Center (“St. Joseph”) only. Those  
6 elements are specifically identified below.

7           2.3     Neither this Consent Decree nor the fact of its entry constitutes evidence or an  
8 admission by any party regarding the existence or non-existence of any issue, fact, or violation  
9 of any law alleged by the State.

10          2.4     This Consent Decree resolves with prejudice all claims raised and which could  
11 have been raised by the State against Defendant, its current and former parents, subsidiaries,  
12 affiliates, contractors, vendors, agents (including Conifer Health Solutions, LLC) and  
13 successors-in-interest, and the officers, directors, attorneys and employees thereof, pertaining to  
14 the acts or omissions described in the Complaint filed in this matter. Upon entry of this Consent  
15 Decree, all claims in this matter, not otherwise addressed by the Consent Decree, are dismissed  
16 with prejudice.

17                                   **III.    INJUNCTIONS**

18          3.1     Application of Injunctions. The injunctive provisions of this Consent Decree  
19 shall apply to Defendant and Defendant’s successors, assigns, officers, agents, directors,  
20 managers, servants, employees, contractors, vendors, facilities, affiliates, clinics, providers,  
21 subsidiaries, subparts, representatives, and all other persons or entities in active concert or  
22 participation with Defendant.

23          3.2     Notice. Within thirty (30) days from the date of entry of this Consent Decree,  
24 Defendant shall inform its successors, assigns, officers, agents, directors, managers, servants,  
25 employees, contractors, vendors, facilities, affiliates, clinics, providers, subsidiaries, subparts,  
26 representatives, and all other persons or entities in active concert or participation with Defendant,

1 | who are involved in any way with the development, implementation, or maintenance of  
2 | Defendant's financial assistance program or its financial collections, of the terms and conditions  
3 | of this Consent Decree and shall direct those persons and entities to comply with this Consent  
4 | Decree.

5 |       3.3    Permanent Injunctions.    Defendant's successors, assigns, officers, agents,  
6 | directors, managers, servants, employees, contractors, vendors, facilities, affiliates, clinics,  
7 | providers, subsidiaries, subparts, representatives, and all other persons or entities in active  
8 | concert or participation with Defendant shall engage in or refrain from engaging in the following  
9 | acts and practices:

10 |           3.3.1 Defendant shall maintain charity care policies and practices that are  
11 | consistent with the requirements of the Washington Charity Care Act and its implementing  
12 | regulations, codified at RCW 70.170 and WAC Chapter 246-453, as amended or modified from  
13 | time to time. For purposes of this Consent Decree, the terms "charity care" and "financial  
14 | assistance" shall be used interchangeably.

15 |           3.3.2 Defendant shall neither make a statement nor take any action that is likely  
16 | to give a reasonable patient or financially responsible party ("responsible party") the impression  
17 | that a patient will not receive medically necessary hospital care unless the patient or responsible  
18 | party makes a payment of the patient liability portion of the charges, including but not limited to  
19 | continuing to ask for immediate payment of any amount after the patient has stated a preference  
20 | to be billed later or an inability to pay.

21 |           3.3.3 Defendant shall not represent to any patient or responsible party, directly  
22 | or indirectly, that they must pay any amount of money in order to apply for financial assistance.

23 |           3.3.4 Defendant shall neither make a statement nor take any action that is likely  
24 | to dissuade a patient or responsible party from receiving information about Defendant's financial  
25 | assistance program, or from applying for financial assistance.  
26 |

1           3.4    Five Year Injunctions. For five years from the date of entry of this Consent  
2 Decree, Defendant's successors, assigns, officers, agents, directors, managers, servants,  
3 employees, contractors, vendors, facilities, affiliates, clinics, providers, subsidiaries, subparts,  
4 representatives, and all other persons or entities in active concert or participation with Defendant  
5 shall engage in or refrain from engaging in the following acts and practices:

6                   3.4.2    Defendant shall develop and implement policies and procedures to ensure  
7 that it reasonably complies with the following requirements.

8                           3.4.2.1    When conducting any pre-treatment process in which patients'  
9 liability portions are identified or payment is requested from patients or responsible parties,  
10 including registration or financial clearance processes conducted after a medical screening  
11 examination, or when contacting patients for payment information after the patient receives  
12 unscheduled, urgent, or emergency care, Defendant shall do the following before asking patients  
13 to pay charges for medically necessary hospital care not covered by third-parties (including but  
14 not limited to copayments, coinsurance, and deductibles): (1) inform the patient or responsible  
15 party orally that financial assistance is available to those who qualify; (2) provide the patient or  
16 responsible party with Defendant's plain language summary ("PLS") of its financial assistance  
17 program, or if the contact occurs over the telephone, direct the patient or responsible party to the  
18 location (URL) on Defendant's website where the PLS can be found; and, (3) ask the patient or  
19 responsible party if they would like to explore their potential eligibility for financial assistance.

20                           3.4.2.2    If a patient or responsible party indicates an interest in financial  
21 assistance, or at any time expresses an inability to pay all or part of their liability, if the patient  
22 is at the site of care, Defendant shall provide the patient with a financial assistance packet in  
23 hard copy and refer the patient to personnel who can assist the patient in filling out the  
24 application or applying for third-party coverage. If the patient is not at the site of care, Defendant  
25 shall refer the patient or responsible party to the financial assistance information and application  
26 on its website, provide the website URL, and provide phone numbers of staff who can assist the

1 patient. Defendant shall also offer to mail or e-mail a copy of the financial assistance packet to  
2 the patient or responsible party before the patient's scheduled procedure.

3 3.4.2.2.1 An expression of an inability to pay from a patient or  
4 a responsible party shall include, but not be limited to: (1) a representation that they are unable  
5 to pay or may experience difficulty paying for some or all of the patient responsibility portion  
6 of the cost of the care; (2) informing Defendant of apparent grounds for presumptive eligibility,  
7 such as receipt of means-tested public benefits or homelessness, or Defendant's independent  
8 observation of apparent grounds for presumptive eligibility; or (3) any other conduct or activity  
9 which is set forth in FHS's published financial assistance policy, as approved by the Washington  
10 State Department of Health.

11 3.4.2.2.2 The financial assistance packet shall consist of  
12 Defendant's PLS, an application for financial assistance, the URL for Defendant's website with  
13 information on its financial assistance program, the URL for the U.S. Dept. of Health & Human  
14 Services' current Federal Poverty Guidelines, and contact information for Defendant's financial  
15 counselors.

16 3.4.2.3 If a patient or responsible party expresses an interest in financial  
17 assistance or an inability to pay at any time during an interaction, Defendant shall thereafter  
18 refrain from requesting payment for medically necessary hospital care in any amount during that  
19 interaction with the patient and shall follow the procedure set forth in Section 3.4.2.2.

20 3.4.2.4 Defendant may provide the patient or responsible party with  
21 information about the amount of the patient's financial responsibility, even if the patient has  
22 expressed an interest in financial assistance or an inability to pay, as long as Defendant clearly  
23 identifies the information as being solely for the purpose of providing the patient with  
24 information, and not for the purposes of seeking or demanding payment. If a patient has not  
25 expressed an interest in financial assistance or an inability to pay, Defendant may provide such  
26 information and request payment of the patient's financial responsibility during that interaction.

1                   3.4.2.5    Defendant's patient financial counselors shall make reasonable  
2 efforts to contact a patient who requests information about financial assistance or expresses an  
3 inability to pay no later than five (5) business days after the patient's date of service. Such  
4 contact will be in-person if the patient remains in the hospital, or by phone before admission (for  
5 pre-scheduled patients), or after discharge for patients who the financial counselor is unable to  
6 meet with while they are present at the hospital. If Defendant is unable to reach the patient in-  
7 person or by phone, Defendant will contact the patient by mail at the address it has on file, and  
8 request that the patient call Defendants' patient financial counselors to discuss possible financial  
9 assistance.

10                   3.4.2.6    Defendant's patient financial counselors shall ask patients if  
11 they need translation or interpretation services to assist them in applying for third-party coverage  
12 or financial assistance. Defendant shall provide translation or interpretation services for patients  
13 who require such services in accordance with applicable law.

14                   3.4.2.7    For patients who have expressed an interest in financial  
15 assistance or an inability to pay, Defendant's patient financial counselors will make reasonable  
16 efforts to collect information about a patient's family size and household income to assist  
17 Defendant in determining the patient's potential eligibility for third-party sponsorship and  
18 financial assistance. Defendant's patient financial counselors will also provide an overview of  
19 Defendant's financial assistance program, as appropriate.

20                   3.4.2.8    A patient may request information about financial assistance  
21 from Defendant, or express an inability to pay all or part of their liability after receiving care.  
22 Within seven (7) days after receiving such request, Defendant shall mail the patient a financial  
23 assistance packet to the address it has on file, and shall thereafter make an attempt to contact the  
24 patient by phone at the phone number it has on file.

25                   3.4.2.9    No billing or collection activity shall be directed towards a  
26 patient or responsible party who has requested information about financial assistance or

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1 expressed an inability to pay for fourteen (14) days after Defendant receives such information or  
2 expression. If the patient's medical condition or other factors indicate that the patient will require  
3 more time to secure and present documentation to Defendant for Defendant to make a final  
4 determination of eligibility for financial assistance, Defendant will extend this time period as  
5 reasonably necessary.

6 3.4.2.10 If a patient or responsible party submits a complete charity care  
7 application, Defendant shall refrain from engaging in billing or collection activity directed  
8 towards the patient or the responsible party until the time the patient's charity care application  
9 is processed.

10 3.4.2.11 If a patient or responsible party submits an incomplete financial  
11 assistance application, Defendant shall contact the patient by mail and describe the missing  
12 documentation needed to complete the application. Defendant shall refrain from engaging in  
13 billing or collection activity directed towards the patient or the responsible party for fourteen  
14 (14) days after the letter is mailed. During this time, if Defendant has not received the missing  
15 documentation, Defendant's personnel shall call the patient or responsible party at the phone  
16 number Defendant has on file. If Defendant receives documents from the patient or responsible  
17 party that complete their charity care application, Defendant shall follow the procedure set forth  
18 in Section 3.4.2.10.

19 3.4.2.12 Defendant may bill and collect from any third-party coverage  
20 that may be available for the patient at any time after the care is provided.

21 3.4.2.13 Defendant shall continue to extend charity care to patients with  
22 income less than or equal to 300% of the Federal Poverty Guidelines.

23 3.4.3 Defendant shall request that Wellfound Behavioral Health, an inpatient  
24 behavioral health hospital, jointly owned and operated by Defendant and MultiCare Health  
25 System maintain charity care eligibility criteria no less generous than those in effect at  
26 Wellfound at the time of the entry of this Consent Decree.



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1 3.4.4 If changes are made to RCW 70.170, WAC 246-453 or any other  
2 Washington State statute or regulation relating to hospitals' charity care programs such that  
3 compliance with any provision of paragraphs 3.4.2.1 through 3.4.2.13 is no longer consistent  
4 with Washington state law, Plaintiff and Defendant shall meet and confer regarding the  
5 amendment or dissolution of these terms. If Plaintiff and Defendant cannot agree to the  
6 modification or dissolution of these terms, either party may petition this Court, with notice and  
7 opportunity to be heard by the opposing party, for modification of these injunctive terms.

8 3.4.5 Defendants shall ensure that biannual trainings take place for all staff  
9 members whose job responsibilities include conducting pre-registration, financial clearance,  
10 point-of-service registration, collection of payment, or financial counseling services, whether  
11 employed by Defendant, its vendors or agents, on the requirements of this Consent Decree and  
12 Washington State charity care requirements.

13 3.4 Reporting. For twenty four (24) months from the entry of this Consent Decree,  
14 St. Joseph shall provide annual reports to the State, which include the following information:

15 3.4.1 Identification of the amount of charity care St. Joseph provided during the  
16 prior twelve (12) months and the number of recipients of charity care during that time period.

17 3.4.2 Identification of the date, time, and place of any training provided to staff  
18 members, whether they are employed by St. Joseph or its agents, related to charity care or upfront  
19 collection and copies of any materials utilized at these trainings.

20 3.4.3 Copies or photographs of all notices relating to charity care posted in any  
21 location at St. Joseph, along with an identification of the location of the sign.

22 3.4.4 Copies of all materials distributed to patients relating to charity care.

23 **IV. RESTITUTION**

24 4.1 Pursuant to RCW 19.86.080, Defendant will take the following steps to make  
25 restitution to its patients.

26 4.2 Within one hundred twenty (120) days of the entry of this Consent Decree,

1 Defendant shall: (a) discharge any outstanding account balances for Uninsured Patients who  
2 received care at one of Defendant's acute care hospitals between January 1, 2012 and July 1,  
3 2017, and who meet the Trans Union LLC community or credit-based criteria indicating that the  
4 patient had an estimated income of less than 200% of the Federal Poverty Guidelines ("FPG"),  
5 and; (b) issue the Payment Refunds (as defined below) to Uninsured Patients.<sup>1</sup>

6 For the purposes of this Consent Decree "Uninsured Patients" shall mean those patients  
7 who received care at Defendant's acute care hospitals, and lacked any source of third-party  
8 sponsorship, including but not limited to commercial or governmental insurance, coverage under  
9 any state program including Worker's Compensation, PIP, or Crime Victim's benefits, or  
10 received a settlement or judgment from a tortfeasor that includes damages based on the patient's  
11 medical expenses, including medical expenses incurred in receiving medically necessary  
12 hospital care.

13 For the purposes of this Consent Decree "Payment Refunds" shall mean: (i) the full  
14 refund of any prior payments for care at one of Defendant's acute care hospitals between January  
15 1, 2012 and July 1, 2017, made by an Uninsured Patient who meets the Trans Union LLC  
16 community or credit-based criteria indicating that the patient had an estimated income of less  
17 than 100% of the FPG, and; (ii) a 40% refund of any prior payments made between January 1,  
18 2012 and July 1, 2017, for care at St. Joseph Medical Center, Harrison Medical Center and  
19 Highline Medical Center, or a 25% refund of any prior payments made between January 1, 2012  
20 and July 1, 2017 for care at St. Elizabeth Hospital, St. Francis Hospital, St. Anthony Hospital,  
21 and St. Clare Hospital, by an Uninsured Patient who meets the Trans Union LLC community or  
22 credit-based criteria indicating that the patient had an estimated income of between 101% and  
23 200% of the FPG. The partial refund amounts set forth above (e.g. 40% and 25%) shall be  
24 applied at the individual account level.

25 <sup>1</sup> Franciscan Health System acquired Highline Medical Center on April 1, 2013 and Harrison Medical Center on  
26 August 1, 2013 (collectively the "Affiliation Dates"). Accordingly, any discharge or refunds to patients who sought  
care at those facilities will be limited to the timeframe of the Affiliation Dates through July 1, 2017.

1           4.2.1 The receipt of a discharge or refund pursuant to this paragraph shall not  
2 limit a patient's right to apply for charity care for any accounts not refunded or discharged  
3 pursuant to this Consent Decree.

4           4.2.2 Within thirty (30) days of discharging an eligible account, Defendant shall  
5 transmit the correspondence attached as Exhibit A to the patient receiving the discharge at the  
6 address Defendant has on file for the patient, by US mail, first class. The envelope containing  
7 the correspondence shall indicate that it a notice from the Office of the Attorney General. The  
8 Office of the Attorney General shall reimburse Defendant for the expenses incurred in creating  
9 and printing such envelopes. This correspondence shall identify the amount discharged and the  
10 account number(s) associated with the discharged accounts.

11           4.2.3 Defendant shall transmit refunds to patients by check, payable to each  
12 patient at the address Defendant has on file for the patient. The refund check shall be  
13 accompanied by the correspondence attached as Exhibit B. The envelope containing the  
14 correspondence shall indicate that it a notice from the Office of the Attorney General. The Office  
15 of the Attorney General shall reimburse Defendant for the expenses incurred in creating and  
16 printing such envelopes.

17           4.2.3.1 Defendant shall not be responsible for locating patients who no  
18 longer reside at the last known address that Defendant has on file.

19           4.2.3.2 If any check issued pursuant to 4.2.3 is returned to sender, or is  
20 not cashed before it becomes invalid or expired, an amount equal to the check will be sent to the  
21 Washington State Department of Revenue ("Department of Revenue") according to its usual  
22 protocol for the disposition of unclaimed property.

23           4.2.3.3 If an intended recipient of an unclaimed, expired check contacts  
24 Defendant and requests that a check be sent to an address other than the one on file with the  
25 Defendant at any time prior to Defendant sending the check to the Department of Revenue,  
26 Defendant shall resend the check to the address provided by the patient.

1           4.3     Within ninety (90) days of the entry of this Consent Decree, Defendant shall  
2 transmit the correspondence attached as Exhibit C to all Uninsured Patients who received care  
3 at any of its facilities between 2012 and 2017. The envelope containing the correspondence shall  
4 indicate that it a notice from the Office of the Attorney General. The Office of the Attorney  
5 General shall reimburse Defendant for the expenses incurred in creating and printing such  
6 envelopes.

7           4.4     Within ninety (90) days of the entry of this Consent Decree, St. Joseph shall  
8 transmit the notice attached as Exhibit C to all patients it treated between 2012 to 2017 who  
9 were: (1) treated in or admitted through its emergency department; (2) who had a Medicare Fee-  
10 For-Service plan but did not have a Medicare supplement plan; and (3) all Medicaid-insured  
11 patients treated in St. Joseph's behavior health unit. The envelope containing the correspondence  
12 shall indicate that it a notice from the Office of the Attorney General. The Office of the Attorney  
13 General shall reimburse Defendant for the expenses incurred in creating and printing such  
14 envelopes.

15           4.5     St. Joseph will post notice of the settlement in public areas of its facilities,  
16 including (1) areas where patients are admitted or registered; (2) the emergency department; and  
17 (3) financial service or billing areas accessible to patients. Such notice shall be subject to the  
18 State's approval.

19           4.6     St. Joseph will post additional, easy-to-view information on its website and on its  
20 social media accounts concerning the availability of financial assistance and how it can be  
21 obtained. Such notices shall be subject to the State's approval.

22           4.7     St. Joseph shall notify patients of this Consent Decree and of their right to apply  
23 for charity care through Tacoma-area media outlets, including newspapers, magazines, and radio  
24 stations. These outlets shall include Spanish-language publications and outlets. Such notice  
25 shall: (1) inform patients of the settlement between St. Joseph and the State; (2) explain that all  
26 patients have the right to apply for charity care for the patient responsibility portion of paid and

1 unpaid accounts at St. Joseph; (3) provide contact information for St. Joseph's Financial  
2 Counselors; and, (4) direct patients to a website that includes the PLS of St. Joseph's charity care  
3 program and a copy of St. Joseph's charity care application.

4 4.7.1 Defendant shall provide at least ten (10) notices of the settlement through  
5 media outlets within ninety (90) days of the entry of the Consent Decree.

6 4.7.2 Defendant shall provide the State with a list of media outlets it will use to  
7 provide notice of the settlement within thirty (30) days of the entry of the Consent Decree. This  
8 list shall be subject to the State's approval.

9 4.7.3 Defendant shall provide copies of the content of the notices it will provide  
10 through media outlets, whether in written or oral form, to the State. The content of these notices  
11 shall be subject to the State's approval.

12 4.8 St. Joseph will conduct education and outreach through community and social  
13 services organizations that have contact with or serve patients within St. Joseph's primary  
14 service area that may qualify for financial assistance. St. Joseph will hold live meetings, whose  
15 primary purpose will be to inform community members about the availability of financial  
16 assistance at St. Joseph for current and prior services, as well as the support that is available  
17 during the application process, including interpreters. St. Joseph is permitted to use video or  
18 pre-recorded media during the education and outreach sessions, so long as a St. Joseph  
19 representative is present at the sessions to greet attendees and answer questions. St. Joseph will  
20 hold such meetings at the following organizations: Project Access of Pierce County, Lutheran  
21 Community Services, Aging and Disability Resources, South Sound Outreach, the Tacoma  
22 Urban League, and one organization that primarily serves Spanish-speaking individuals.

23 4.8.1 St. Joseph will conduct at least one live meeting at each organization  
24 identified above within six (6) months of the entry of the Consent Decree.

25 4.8.2 St. Joseph will work with the organizations identified above to publicize  
26 the live meetings within the community served by each organization.

1           4.8.3 St. Joseph will distribute written materials regarding its charity care  
2 program at each of these meetings.

3           4.8.4 St. Joseph will inform the State of the date, time, and location of these  
4 meetings at least one (1) month in advance of their occurrence.

5           4.9 Defendant shall extend charity care to Uninsured Patients for the patient  
6 responsibility portion of paid and unpaid accounts who received care at any of Defendant's acute  
7 care hospitals between 2012 and 2017. Those patients may either: (i) complete the attestation  
8 form included with Exhibit C, or (ii) submit a charity care application demonstrating that their  
9 household income was at or below 200% of the Federal Poverty Guidelines at the time of their  
10 treatment or the time of the submission of their charity care application, provided that the  
11 submission is within two (2) years of the date of service. Defendant shall refund any payments  
12 or discharge any amounts owing on the accounts of patients approved for charity care.

13           4.9.1 Within thirty (30) days of discharging an eligible account, Defendant shall  
14 transmit the correspondence attached as Exhibit A to the address the Defendant has on file for  
15 the patient. This correspondence shall identify the amount discharged and the account number(s)  
16 associated with the discharged accounts.

17           4.9.2 Defendant shall transmit refunds to patients by check, payable to each  
18 patient at the address Defendant has on file for the patient. The refund check shall be  
19 accompanied by the correspondence attached as Exhibit B.

20           4.9.2.1 Defendant shall not be responsible for locating patients who no  
21 longer reside at the last known address that Defendant has on file.

22           4.9.2.2 If any check issued pursuant to 4.9 is returned to sender, or is  
23 not cashed before it becomes invalid or expired, an amount equal to the check will be sent to the  
24 Department of Revenue according to its usual protocol for the disposition of unclaimed property.

25           4.9.2.3 If an intended recipient of an unclaimed, expired check contacts  
26 Defendant and requests that a check be sent to an address other than the one on file with the

1 Defendant at any time prior to Defendant sending the check to the Department of Revenue,  
2 Defendant shall resend the check to the address provided by the patient.

3 4.9.3 If Defendant reported any accounts discharged or refunded pursuant to this  
4 Section 4.9 as delinquent, charged off, or as bad debt to any credit reporting agencies (“CRAs”),  
5 Defendant shall report the account as paid in full to the CRAs and request the deletion of any  
6 associated trade lines reflecting the account as delinquent, defaulted, charged off, or bad debt

7 4.9.4 Consistent with the Washington Charity Care Act and its implementing  
8 regulations, codified at RCW 70.170 and WAC Chapter 246-453, as amended or modified,  
9 Defendant shall allow any patients who received care at one of its acute care hospitals between  
10 2012 and 2017 to apply for financial assistance through Defendant’s ordinary process, by  
11 submitting a financial assistance application.

12 4.10 Within six (6) months of the entry of this Consent Decree, Defendants shall  
13 provide a report to the State which identifies (i) the number of patients it issued refunds to  
14 pursuant to this Consent Decree; (ii) the amount of these refunds; (iii) the number of patients  
15 whose accounts were discharged pursuant to this Consent Decree; and, (iv) the amount of these  
16 discharges.

17 4.11 Defendant may, at its option and expense, retain a qualified third party contractor  
18 to assist with the obligations set forth in 4.2, 4.3 and 4.4 of this Consent Decree.

19 **V. MONETARY PAYMENT**

20 5.1 Pursuant to RCW 19.86.080, Defendant shall pay the State the amount of  
21 \$2,460,000. The Attorney General shall use the funds for recovery of its costs and attorneys’  
22 fees in investigating this matter, future monitoring and enforcement of this Consent Decree,  
23 future enforcement of RCW 19.86, or for any lawful purpose in the discharge of the Attorney  
24 General’s duties at the sole discretion of the Attorney General.

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1           5.1.1 The Attorney General's Office shall use or distribute at least \$100,000 of  
2 this payment to provide public education and outreach related to the availability of charity care  
3 in Washington State at the sole discretion of the Attorney General.

4           5.2 Payment owing under this provision shall be in the form of a valid check paid to  
5 the order of the "Attorney General—State of Washington" and shall be due and owing within  
6 thirty (30) days of the entry of the Consent Decree. Payment shall be sent to the Office of the  
7 Attorney General, Attention: Margaret Farmer, Administrative Office Manager, 800 Fifth  
8 Avenue, Suite 2000, Seattle, Washington 98104-3188.

9           5.3 Defendant's failure to timely make payments as required by this Consent Decree  
10 by the date of entry of this Consent Decree, without written agreement by the State, shall be a  
11 material breach of this Consent Decree.

12                           **VI. ENFORCEMENT**

13           6.1 Violation of any of the injunctions contained in this Consent Decree, as  
14 determined by the Court, shall subject the Defendants to a civil penalty of not more than \$25,000  
15 per violation pursuant to RCW 19.86.140.

16           6.2 Violation of any of the terms of this Consent Decree, as determined by the Court,  
17 shall constitute a violation of the Consumer Protection Act, RCW 19.86.020.

18           6.3 This Consent Decree is entered pursuant to RCW 19.86.080. Jurisdiction is  
19 retained for the purpose of enabling any party to this Consent Decree with or without the prior  
20 consent of the other party to apply to the Court at any time for enforcement of compliance with  
21 this Consent Decree, to punish violations thereof, or to modify or clarify this Consent Decree.

22           6.4 Representatives of the Office of the Attorney General shall be permitted, upon  
23 advance written notice of twenty (20) days to Defendant, to access, inspect and/or copy non-  
24 privileged business records or documents in possession, custody or under control of Defendant  
25 (Business Records) to monitor compliance with this Consent Decree, provided that the  
26 inspection and copying shall avoid unreasonable disruption of Defendant's business activities.



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1 The State of Washington shall not disclose any Business Records unless such disclosure is  
2 required by law. In the event that a representative of the Office of the Attorney General receives  
3 a request under the Public Records Act, subpoena, or other demand for production that seeks the  
4 disclosure of Business Records, the Office of the Attorney General shall notify Defendant as  
5 soon as practicable and in no event more than thirty (30) calendar days after receiving such  
6 request and shall allow Defendant a reasonable time, not less than ten (10) calendar days, from  
7 the receipt of such notice to seek a protective order relating to the Business Records or to  
8 otherwise resolve any disputes relating to the production of the Business Records before  
9 Washington discloses any Business Records. Nothing in this Consent Decree shall affect State  
10 of Washington's compliance with the Public Records Act, RCW 42.56.

11 6.5 To monitor compliance with this Consent Decree, the State shall be permitted to  
12 serve interrogatories pursuant to the provisions of CR 26 and CR 33 and to question Defendant  
13 or any officer, director, agent, or employee of Defendant by deposition pursuant to the provisions  
14 of CR 26 and CR 30 provided that the State attempts in good faith to schedule the deposition at  
15 a time convenient for the deponent and his or her legal counsel.

16 6.6 This Consent Decree in no way limits the Office of the Attorney General, or any  
17 other state agency, from conducting any lawful non-public investigation to monitor Defendant's  
18 compliance with this Consent Decree or to investigate other alleged violations of the CPA which  
19 may include but is not limited to interviewing customers or former employees of Defendant.

20 6.7 Nothing in this Consent Decree shall be construed as to limit or bar any other  
21 governmental entity or consumer from pursuing other available remedies against Defendant  
22 beyond any limits or bars otherwise applicable by operation of law.

23 6.8 Under no circumstances shall this Consent Decree or the name of the State of  
24 Washington, the Office of the Attorney General, Consumer Protection Division, or any of their  
25 employees or representatives be used by Defendant in connection with any selling, advertising,  
26

1 or promotion of products or services, or as an endorsement or approval of Defendant's acts,  
2 practices or conduct of business.

3 6.9 This Consent Decree shall be binding upon and inure to the benefit of Defendant's  
4 successors and assigns. Defendant and its successors and assigns shall notify the Attorney  
5 General's Office at least thirty (30) days prior to any change-in-control of Defendant that would  
6 change the identity of the corporate entity responsible for compliance obligations arising under  
7 this Consent Decree, including but not limited to dissolution, assignment, sale, merger, or other  
8 action that would result in the emergence of a successor corporation; the creation or dissolution  
9 of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the  
10 proposed filing of a bankruptcy petition; or a change in the corporate name or address. Provided,  
11 however, that with respect to any proposed change in the corporation about which Defendant  
12 and its successors and assigns learn less than thirty (30) days prior to the date such action is to  
13 take place, Defendant and its successors and assigns shall notify the Attorney General's Office  
14 as soon as is practicable after obtaining such knowledge.

15 6.10 Any notice or other communication required or permitted under this Consent  
16 Decree shall be in writing and delivered to the following persons or any person subsequently  
17 designated by the parties:

18 For the State of Washington:  
19 Office of the Attorney General  
20 Consumer Protection Division  
21 Attention: Audrey Udashen, AAG  
22 800 Fifth Avenue, Suite 2000  
23 Seattle, WA 98104-3188

For Defendants:  
CHI Franciscan  
Corporate Office  
1145 Broadway Plaza, Suite 1200  
MS 07-00  
Tacoma, WA 98402  
Attn: Chief Executive Officer

With a copy to:

CHI Franciscan  
Corporate Office

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1145 Broadway Plaza, Suite 1200  
MS 07-00  
Tacoma, WA 98402  
Attn: Regional General Counsel

6.11 The Clerk of Court is ordered to enter the foregoing Judgment and Consent Decree immediately.

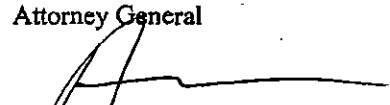
DONE IN OPEN COURT this 29 day of APRIL, 2019.

  
JUDGE/COURT COMMISSIONER  
IN OPEN COURT  
EX PARTE DEPARTMENT

Approved for entry and presented by:

Approved for Entry, Notice of Presentation Waived: APR 29 2019  
By  Deput  
PIERCE COUNTY, Clerk

ROBERT W. FERGUSON  
Attorney General

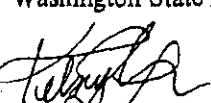
  
AUDREY L. UDASHEN, WSBA #42868  
Assistant Attorney General  
Attorney for Plaintiff State of Washington

  
ASHER D. FUNK, *pro hac vice*  
Polsinelli PC

BRAD FISHER, WSBA #19895  
REBECCA J. FRANCIS, WSBA #41196  
Davis Wright Tremaine LLP

Attorneys for Defendant Franciscan Health Systems d/b/a CHI-Franciscan Health d/b/a St. Joseph Medical Center

Washington State Department of Health

  
KELSEY L. MARTIN, WSBA #50296  
Assistant Attorney General  
Attorney for the Washington State Department of Health

# EXHIBIT A



**Bob Ferguson**  
**ATTORNEY GENERAL OF WASHINGTON**

Consumer Protection Division  
800 Fifth Avenue • Suite 2000 • MS TB 14 • Seattle WA 98104-3188  
(206) 464-7745

**Good news - you no longer owe a debt!**

Dear Patient:

The Attorney General's Office protects all Washingtonians from unfair and deceptive business practices. My team and I work hard to hold businesses accountable and obtain justice for Washingtonians when businesses don't play by the rules.

My office filed a lawsuit against St. Joseph Medical Center alleging that it failed to make financial assistance accessible to low-income patients from 2012 to 2017. My office and St. Joseph Medical Center's parent company, CHI Franciscan, recently entered into an agreement to settle this lawsuit. A copy of the settlement is available here: [insert link to Consent Decree].

As part of the settlement, CHI Franciscan can no longer collect on certain accounts owed to it by thousands of charity care eligible patients treated at its Washington hospitals. You are a member of this group.

**As a result, you no longer owe [amount discharged] on [account number(s)] to [insert hospital name(s)].**

If you have questions about this letter or CHI Franciscan's charity care program please contact (888) 779-6380.

Sincerely,

BOB FERGUSON  
Attorney General

RWF/jlg  
Enclosures

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4/29/2019

# EXHIBIT B



**Bob Ferguson**  
**ATTORNEY GENERAL OF WASHINGTON**

Error! Not a valid result for table.

**Good news – refund enclosed!**

Dear Patient:

The Attorney General's Office protects all Washingtonians from unfair and deceptive business practices. My team and I work hard to hold businesses accountable and obtain justice for Washingtonians when businesses don't play by the rules.

My office filed a lawsuit against St. Joseph Medical Center alleging that it failed to make financial assistance accessible to low-income patients from 2012 to 2017. My office and St. Joseph Medical Center's parent company, CHI Franciscan, recently entered into an agreement to settle this lawsuit. A copy of the settlement is available here: [insert link to Consent Decree].

As part of the settlement, CHI Franciscan owes you money. Specifically, CHI Franciscan must refund money paid by patients who were eligible for financial assistance but did not get it. Thanks to the efforts of my team, you are receiving the enclosed check because you meet this criteria and are eligible for a refund.

If you have questions about this letter or CHI Franciscan's charity care program please contact (888) 779-6380.

Sincerely,

A handwritten signature in black ink that reads "Bob Ferguson".

BOB FERGUSON  
Attorney General

RWF/jlg  
Enclosures

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4/29/2019

# EXHIBIT C





**Bob Ferguson**  
**ATTORNEY GENERAL OF WASHINGTON**

Consumer Protection Division  
800 Fifth Avenue • Suite 2000 • MS TB 14 • Seattle WA 98104-3188  
(206) 464-7745

**ACT NOW! You may be eligible for a refund or forgiveness of medical debt.**

Dear Patient:

The Attorney General's Office protects all Washingtonians from unfair and deceptive business practices. My team and I work hard to hold businesses accountable and obtain justice for Washingtonians when businesses don't play by the rules.

My office filed a lawsuit against St. Joseph Medical Center alleging that it failed to make financial assistance accessible to low-income patients from 2012 to 2017. My office and St. Joseph Medical Center's parent company, CHI Franciscan, recently entered into an agreement to settle this lawsuit. A copy of the settlement is available here: [insert link to Consent Decree].

This settlement allows patients who were qualified financial assistance to receive a refund or forgiveness of debt for care provided to them from 2012-2017 at the following hospitals: St. Joseph Medical Center, St. Elizabeth Hospital, St. Francis Hospital, Highline Medical Center, Harrison Medical Center, St. Anthony Hospital, and St. Clare Hospital.

**Here is what you need to do to see if you are eligible for a refund or debt forgiveness:**

- Consult the enclosed chart to see if your family income at the time you received treatment qualifies you for financial assistance; and
- If so, please return the enclosed form to be considered for financial assistance.

**We are working hard to make sure every eligible patient receives a refund and debt forgiveness, but we need you to act now!**

If approved for financial assistance, you will receive a refund of what you paid to CHI Franciscan hospitals. You will also be notified of any amount you no longer owe to CHI Franciscan hospitals.

If you have questions about this letter or CHI Franciscan's charity care program please contact (888) 779-6380.

Sincerely,

BOB FERGUSON  
Attorney General

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4/29/2019

**CHI Franciscan - Attestation of Eligibility For Financial Assistance**

Patient's Full Name: \_\_\_\_\_

Patient's Date of Birth: \_\_\_\_\_

Full Name of Responsible Party (If Not The Patient): \_\_\_\_\_

Relationship of Responsible Party to Patient: \_\_\_\_\_

Approximate Date(s) of Treatment: \_\_\_\_\_

Hospital Where Treatment Was Received: \_\_\_\_\_

Contact Phone Number: \_\_\_\_\_

Contact Email (optional): \_\_\_\_\_

Contact Mailing Address: \_\_\_\_\_

***By signing this document and requesting that CHI Franciscan provide me with financial assistance for medical treatment, I affirm and represent the following:***

- The information I have provided above is true and correct to the best of my knowledge.
- The patient listed above received medical treatment at St. Elizabeth Hospital (Enumclaw), St. Francis Hospital (Federal Way), Highline Medical Center (Burien), Harrison Medical Center (Bremerton / Silverdale), St. Anthony Hospital (Gig Harbor), St. Clare Hospital (Lakewood), or St. Joseph Medical Center (Tacoma) between January 1, 2012 and December 31, 2017.
- The household income of the patient or responsible party at the time of treatment was less than or equal to 200% of the 2017 Federal Poverty Guidelines, as set by the U.S. Department of Health & Human Services (see attached table).

\_\_\_\_\_  
Signature of Patient or Responsible Party

\_\_\_\_\_  
Date

**Mail or fax to: St. Joseph Medical Center, 1717 South J Street, MS 10-30, Tacoma, WA 98405. Fax (253) 396-6746. Please call (888) 779-6380 with any questions.**

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4/29/2019

**Your Income Must Be Less Than or Equal to the Amounts in the Chart Below to Qualify for Financial Assistance**

<b>200% of The Federal Poverty Guidelines - 2017</b>	
<b>Household / Family Size</b>	<b>Annual Household Income Must Be Less Than or Equal To:</b>
1	\$24,120
2	\$32,480
3	\$40,840
4	\$49,200
5	\$57,560
6	\$65,920
7	\$74,280
8	\$82,640
For families/households with more than 8 persons, add \$8,360 for each additional person.	