

**Request for Proposal for Cy Pres Distribution of Residual Settlement Funds
Issued in *UFCW & Employers Benefit Trust et al. v. Sutter Health***

Issue Date: January 23, 2024

Due Date: February 29, 2024

UFCW & Employers Benefit Trust (“UEBT”), on behalf of a certified class of California self-funded payers, and the California Attorney General’s Office (collectively, “Plaintiffs”) invite you to submit a proposal for *cy prè*s distribution of residual settlement funds in this case. Plaintiffs anticipate that a total residual settlement fund of approximately \$85,000.00¹ will be available for *cy prè*s distribution in or around April 2024.

UEBT represents a class of self-funded payers that filed an action in San Francisco Superior Court on April 7, 2014, captioned *UFCW & Employers Benefit Trust, on behalf of itself and all others similarly situated, v. Sutter Health, et al.*, Case No. CGC-14-538451, which received final approval of settlement on August 27, 2021. UEBT is a health benefit trust fund that pays for the healthcare services of certain grocery store workers and others. UEBT filed this case on its own behalf and as a representative of a class of more than 1000 other health benefits trusts and California government and private employers that pay for healthcare services for their employees.

The California Attorney General’s Office represents the People of the State of California and filed a separate action in San Francisco Superior Court against Sutter Health on March 30, 2018, captioned *People of the State of California, ex rel. Xavier Becerra v. Sutter Health*, Case No. CGC-1 8-565398. On May 8, 2018, the actions filed by UEBT and the People of the State of California were consolidated by the Court for all purposes (the “Consolidated Action”).

Defendants in the Consolidated Action are Sutter Health; Sutter East Bay Hospitals; Sutter West Bay, Hospitals; Eden Medical Center; Sutter Central Valley, Hospitals; Mills Peninsula Health Services; Sutter Health, Sacramento Sierra Region; Sutter Coast Hospital; Palo Alto, Medical Foundation for Healthcare, Research and Education; and Sutter Medical Foundation (collectively “Sutter Health”). Sutter Health is a not-for-profit health system providing healthcare services to communities throughout Northern California.

Plaintiffs in the Consolidated Action alleged that Sutter Health engaged in anticompetitive contracting practices, including Sutter Health’s all-or-nothing contractual arrangements with payors, Sutter Health’s anti-steering and anti-tiering contractual terms, and Sutter Health’s price secrecy terms that prevented payors from disclosing the prices Sutter Health negotiated.

¹ The precise amount of the total residual settlement fund will depend on the size of the settlement fund’s upcoming refund for overpayment of 2023 taxes.

For more information regarding this matter, please refer to the following:

- <https://oag.ca.gov/news/press-releases/attorney-general-bonta-announces-final-approval-575-million-settlement-sutter>
- <https://www.nytimes.com/2019/12/20/health/sutter-health-settlement-california.html>
- <https://sf.courts.ca.gov/online-services>
 - The link above will lead you to the Superior Court of California, County of San Francisco website where you can access the docket in connection with this case by clicking the “Case Query” and inputting the following Case Number CGC-14-538451.

REQUEST FOR PROPOSAL PROCESS

Plaintiffs invite you to submit a proposal for *cy près* distribution of residual settlement funds. Plaintiffs reserve the right to reject or accept any proposal for reasons they deem appropriate. Copies of your proposal must be submitted by **12:00 p.m. PST on February 29, 2024**, as follows:

Please submit your proposal by email to the following email addresses: a) for personnel within the Attorney General’s Office, to Renuka George (Renuka.George@doj.ca.gov); Emilio Varanini (Emilio.Varanini@doj.ca.gov); Malinda Lee (Malinda.Lee@doj.ca.gov); and Raymond Wright (Raymond.Wright@doj.ca.gov); for UEBT to Richard Grossman (rgrossman@pillsburycoleman.com); Sarah Grossman-Swenson (sgs@msh.law); Aaron Panner (apanner@kellogghansen.com); Daniel A. Small (DSmall@cohenmilstein.com); and Chris Wheeler (cwheeler@fbm.com).

Your proposal must, at a minimum, include the information requested below in the section titled “Required Proposal Content.” Plaintiffs’ counsel will expeditiously review the proposals received.

Required Proposal Content

A. Executive Summary:

Provide a brief description of the manner in which you would use the residual settlement funds. The summary should include a description of how the residual settlement funds will be used for project(s) that will benefit the class or similarly situated persons, or that promote the law consistent with the objectives and purposes of the underlying causes of action. The summary should also include a description of how the use of residual settlement funds will benefit California consumers. The summary should also include a list of the individuals who will work on the identified project(s).

B. Proposed Project:

Describe the activities you propose to undertake with the residual settlement funds. Please generally describe the scope of any project(s) that the residual settlement funds would be used for, including (1) the subject matter of the proposed project(s), (2) a timeline for the proposed project's completion, (3) a description of how the proposed project(s) would benefit the class or similarly situated individuals, or promote the law consistent with the objectives and purposes of the underlying causes of action and (4) a description of how the proposed project(s) would benefit California consumers.

C. Personnel:

Include the name(s) of the individual(s) who would be primarily responsible for the project(s) undertaken with residual settlement funds. Please include each individual's expertise, experience, and qualifications. If the identity of the individuals or entities who would assist in projects undertaken with the residual settlement amounts are unknown at the present time, state the areas of expertise you would seek to retain and your organization's process for contracting for such services, including billing rates if applicable.

D. Diversity, Equity, and Inclusion

Describe your organization's commitment to diversity, equity, and inclusion. If relevant, describe how the activities you propose to undertake with the residual settlement funds would further your organization's commitment to diversity, equity, and inclusion.

E. Potential Conflicts/Other Representations:

Disclose any potential conflicts of interest involving yourself, your firm, an employee assigned to the project, or a proposed subcontractor, including current or former employment, contracts, grants or other relationships with any of the Parties or their counsel appearing in this case, or in the case of Sutter, any of its affiliates, and any involvement in the last ten years with a claim or lawsuit against UEBT, the California Attorney General's Office, Sutter, or any of their officers, agents, or employees. Please also advise if you have represented any of the following: Anthem Blue Cross, Blue Shield of California, Cigna, Aetna, UnitedHealthcare, and HealthNet. If so, describe the nature and scope of your representation/work.