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**STATE OF WASHINGTON
KING COUNTY SUPERIOR COURT**

STATE OF WASHINGTON,

Plaintiff,

v.

PROVIDENCE HEALTH & SERVICES
WASHINGTON; SWEDISH HEALTH
SERVICES; SWEDISH EDMONDS; and
KADLEC REGIONAL MEDICAL CENTER;
OPTIMUM OUTCOMES, INC.; and HARRIS
& HARRIS, LTD.,

Defendants.

NO. 22-2-01754-6 SEA

CONSENT DECREE

I. JUDGMENT SUMMARY

| | | |
|-----|------------------------------|---|
| 1.1 | Judgment Creditor | State of Washington |
| 1.2 | Judgment Debtors | Providence Health & Services- Washington, Swedish Health Services, Swedish Edmonds, and Kadlec Regional Medical Center |
| 1.3 | Principal Judgment Amount | \$25,215,882.55 |
| 1.4 | Post Judgment Interest Rate: | 12% percent per annum, except as provided below ¹ |

¹ For the sake of clarity, there is no post judgment interest if Providence makes the payments described herein.

1 1.14 Providence recognizes and states this Consent Decree is entered into voluntarily
2 and that no promises, representations, or threats have been made by the Attorney General's
3 Office or any member, officer, agent, or representative thereof to induce them to enter into this
4 Consent Decree, except for the promises and representations provided herein; and

5 1.15 Providence waives any right they may have to appeal from this Consent Decree
6 or to otherwise contest the validity of this Consent Decree; and

7 1.16 Providence further agrees this Court shall retain jurisdiction of this action and
8 jurisdiction over Providence for the purpose of implementing and enforcing the terms and
9 conditions of this Consent Decree and for all other purposes related to this matter; and

10 The Court, finding no just reason for delay;

11 NOW, THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED as
12 follows:

13 II. GENERAL

14 2.1 This Court has jurisdiction of the subject matter of this action and of the parties.

15 2.2 This Consent Decree fully and finally resolves and forever discharges and
16 releases all claims and causes of action that the State of Washington has filed or may in the future
17 file against Providence arising out of or relating to the facts and matters specifically described
18 in the Complaints, except that Providence's failure to comply with this Consent Decree shall
19 permit the Attorney General of Washington to take such further action against Providence as
20 provided for herein.

21 2.3 Definitions. As used in this Consent Decree, the term patient shall mean the actual
22 patient receiving hospital care or the "responsible party" for that care. "Responsible party" shall
23 mean the individual who is responsible for the payment of any hospital charges which are not
24 subject to third-party sponsorship.

25 2.3.1 "Appropriate hospital-based medical services" means those hospital
26 services which are reasonably calculated to diagnose, correct, cure, alleviate, or prevent the

1 worsening of conditions that endanger life, or cause suffering or pain, or result in illness or
2 infirmity, or threaten to cause or aggravate a handicap, or cause physical deformity or
3 malfunction, and there is no other equally effective more conservative or substantially less costly
4 course of treatment available or suitable for the person requesting the service. "Course of
5 treatment" may include mere observation or, where appropriate, no treatment at all.

6 2.3.2 "Financial assistance" and "charity care" shall include all free and
7 reduced cost medical care provided to indigent patients as required by RCW 70.170 and
8 WAC 256-453. The terms financial assistance and charity care are used interchangeably
9 throughout this Consent Decree.

10 2.3.3 "Presumptive charity care" means charity care provided to a patient
11 without the patient's submission of a charity care application.

12 III. INJUNCTIONS

13 3.1 Application of Injunctions. The injunctive provisions of this Consent Decree shall
14 apply to Providence and to its successors, employees, assigns, contractors, representatives, and
15 all others acting in concert or active participation with Providence.²

16 3.2 Within thirty (30) days following the entry of this Consent Decree, Providence
17 shall inform all persons acting in concert or active participation with Providence with respect to
18 the facts and matters described in the Complaint of the terms and conditions of this Consent
19 Decree and shall direct those persons and entities to comply with this Consent Decree.

20 3.3 Injunctions. For five (5) years from the date of entry of this Consent Decree,
21 Providence and its successors, employees, assigns, contractors, representatives, and all others
22 acting in concert or active participation with Providence shall engage in or refrain from the
23 following acts and practices:

24
25 ² The form and scope of this language, as used throughout this document, is intended to have the same
26 form, scope, and application as subsection (d) of Washington Court Rule 65.

1 3.3.1 Providence shall maintain charity care policies and practices that are
2 consistent with the requirements of the Charity Care Act and its implementing regulations,
3 codified at RCW 70.170, et seq. and WAC Chapter 246-453, as amended and modified from
4 time to time.

5 3.3.2 Providence shall not attempt to collect payment from patients for any
6 appropriate hospital-based medical services unless (a) it has made an initial determination of the
7 patient's eligibility for financial assistance based on the their income as a percentage of the
8 Federal Poverty Level (FPL), as determined by the patient's stated household size and income
9 (hereinafter referred to as "initial screen"), or the (b) patient has declined or failed to cooperate
10 with Providence to allow an initial screen or to complete a financial assistance application.

11 3.3.2.1 If Providence has performed an initial screening in the last six (6)
12 months, it does not need to perform another initial screening unless the patient indicates an
13 inability to pay, or indicates that their financial circumstances have changed since their last initial
14 screening.

15 3.3.2.2 Providence will include language in its charity care materials that
16 advises patients that they may request another initial screening if their financial circumstances
17 have changed from the time of their last screening.

18 3.3.2.3 Attempts to collect payment shall include any demand for
19 payment or the transmission of account documents or information that are not clearly identified
20 as being intended solely for the purpose of transmitting information to the patient. For the sake
21 of clarity, nothing in this Consent Decree shall be construed as preventing Providence from
22 providing patients good faith estimates as required under federal law.

1 3.3.2.4 If the patient appears likely to qualify for charity care based on
2 the initial screen, Providence shall inform the patient of their likely eligibility,³ provide them
3 with a financial assistance application or other means to apply for financial assistance, and
4 refrain from collection from the patient for fourteen (14) days.

5 3.3.3 Providence shall enact policies and procedures to offer an initial screen to
6 each patient with whom it has a direct encounter, whether in person, over the phone, or digitally,
7 provided the patient is medically able to participate in the initial screen at that time.

8 3.3.3.1 The initial screen shall be based on patients' representations about
9 their household size and income.

10 3.3.3.2 If the initial screen indicates the patient likely qualifies for
11 financial assistance, Providence will inform the patient that the screen indicates that they are
12 likely qualified for financial assistance and provide them with directions on how to apply.⁴
13 Providence will also provide the patient written notice of the initial determination, along with a
14 financial assistance application and an instruction that a completed financial assistance
15 application must be provided to Providence within fourteen (14) days to prevent collection
16 efforts directed to the patient. If a financial assistance application is not received within fourteen
17 (14) days of the screen, Providence may commence collection efforts.

18 3.3.3.3 If the initial screen indicates the patient likely does not qualify for
19 financial assistance, Providence will inform the patient that the screen indicates they likely do
20 not qualify for financial assistance.⁵ Providence will also advise the patient of the option to
21

22 ³ Depending on the circumstances and/or patient preferences, Providence may communicate with patients
23 through various means, including but not limited to digital interfaces.

24 ⁴ Depending on the circumstances and/or patient preferences, Providence may communicate with patients
25 through various means, including but not limited to digital interfaces.

26 ⁵ Depending on the circumstances and/or patient preferences, Providence may communicate with patients
through various means, including but not limited to digital interfaces.

1 submit a financial assistance application for a more thorough review and determination of the
2 patient's eligibility for financial assistance. Providence will provide the patient written notice
3 of the initial determination and information about Providence's financial assistance program.

4 3.3.3.4 If Providence (a) does not have a direct patient encounter, or (b)
5 a patient is not medically able to participate in an initial screen, or (c) an initial screen is
6 otherwise not practical under the circumstances, Providence will provide a written explanation
7 of the availability of financial assistance with instructions for how to apply for financial
8 assistance, contact information for a financial counselor or other Providence caregiver who can
9 assist the patient with applying for financial assistance, and a financial assistance application.⁶

10 3.3.3.5 If the patient declines or fails to cooperate in the initial screening
11 process, but indicates interest in applying for financial assistance or indicates that they may
12 experience difficulty paying for their hospital charges, Providence will provide the patient a
13 written explanation of the availability of financial assistance with instructions for how to apply
14 for financial assistance.⁷

15 3.3.4 If the patient contacts Providence to request additional time to complete
16 their financial assistance application, Providence will not commence collection efforts for
17 another fourteen (14) days from the date of the subsequent patient contact.

18 3.3.5 Once Providence receives a financial assistance application from a
19 patient, it will refrain from billing or attempting to collect from the patient until it acts on the
20 patient's financial assistance application.

21 3.3.5.1 If Providence approves a patient's financial assistance
22 application, it shall treat all appropriate hospital-based medical services the patient receives as

23 _____
24 ⁶ Depending on the circumstances and/or patient preferences, Providence may communicate with patients
through various means, including but not limited to digital interfaces.

25 ⁷ Depending on the circumstances and/or patient preferences, Providence may communicate with patients
26 through various means, including but not limited to digital interfaces.

1 eligible for financial assistance for at least six (6) months, unless the patient notifies Providence
2 that they no longer require and/or want financial assistance.

3 3.3.6 Providence shall follow its charity care policies on file with and approved
4 by the Washington Department of Health with respect to the treatment of patients enrolled in
5 Medicaid or another form of means-tested public benefit program.

6 3.3.7 Providence shall take steps to ensure its training materials, job aids,
7 scripting and guides do not suggest patients must or have no option but to pay for their treatment
8 before Providence has screened them for charity care. Such actions include, but are not limited
9 to removal of the scripting materials associated with the phrases “how would you like to pay
10 today? Cash, check, or credit card,” or “how would you like to take care of that today.”

11 3.3.8 Providence may use (or not use) predictive tools in its discretion so long
12 as such tools are used to grant financial assistance to persons who have not submitted an
13 application or otherwise cooperated in the screening process created under this subsection.

14 3.3.9 Providence will share with the State a copy of the new training materials
15 that will be used to implement the new procedures described in this Section 3.

16 3.3.10 Providence shall make best efforts to implement the requirements of 3.3
17 within ninety (90) days of the entry of the Consent Decree, and will be in full compliance within
18 six (6) months of the entry of the Consent Decree.

19 **IV. PAYMENTS TO PATIENTS**

20 4.1 Pursuant to RCW 19.86.080, Providence will take the following steps to make
21 payments to its patients.

22 4.2 Within sixty (60) days of the entry of this Consent Decree, Providence shall issue
23 payment to all patients who were granted presumptive charity but were billed and paid amounts
24 to Providence from January 1, 2018 to October 31, 2023. The payments shall correspond to all
25 payments made by such patients, whether made directly to Providence or to any debt collector
26 Providence contracted with to collect patient payments. These payments total \$8,245,370.25.

1 4.2.1 Payments made pursuant to this paragraph shall be made by check,
2 payable to the patient or responsible party. Providence shall include the letter attached as Exhibit
3 A with the check. The envelope containing the check and notice shall indicate that it includes a
4 communication from the Attorney General's Office.

5 4.2.2 Providence shall mail the notice and check to the most recent address it
6 has on file for the patient or responsible party.

7 4.2.3 Providence shall add a one-time, non-compounded 12% simple interest
8 payment to all payments issued pursuant to this paragraph.

9 4.3 Within sixty (60) days of the entry of this Consent Decree, Providence shall issue
10 payment to all patients who were predicted as having an income at or below 200% of the federal
11 poverty level, and whose accounts Providence referred to a third party collector between
12 January 1, 2018 to October 31, 2023. The payments shall correspond to the total amounts paid
13 by such patients, whether to Providence or to any debt collector Providence contracted with to
14 collect patient payments. These payments total \$10,220,317.70.

15 4.3.1 Payments issued pursuant to this paragraph shall be made by check,
16 payable to the patient or responsible party. Providence shall include the letter attached as Exhibit
17 A with the check. The envelope containing the check and notice shall indicate that it includes a
18 communication from the Attorney General's Office.

19 4.3.2 Providence shall mail the notice and check to the most recent address it
20 has on file for the patient or responsible party.

21 4.3.3 Providence shall add a one-time, non-compounded 12% simple interest
22 payment to all patient payments issued pursuant to this paragraph.

23 4.4 If an envelope containing a check for \$1,000 or more is returned to sender,
24 Providence will check its records for an updated address and will have a skip trace run on the
25 address. If an updated address is identified, Providence or its vendor will remail the check and
26 enclosed letter to the new address. For the sake of clarity, this process will be required once for

1 returned mail transmitting a check for \$1,000 or more. If the check originally issued to the
2 patient has expired, Providence will re-issue the check before mailing it to the new address.

3 4.5 If any check issued pursuant to 4.2 or 4.3 is returned to sender, or is not cashed
4 before it becomes invalid or expired, after completion of the process described in 4.4, an amount
5 equal to the check will be sent to the Washington State Department of Revenue for treatment
6 according to its usual protocol for the disposition of unclaimed property.

7 4.6 Within six (6) months of entry of the Consent Decree, Providence will provide
8 an aggregate report of the payments made pursuant to 4.2 and 4.3.

9 4.7 Within sixty (60) days of the Entry of the Consent Decree, Providence shall write
10 off any outstanding balances owed by patients described in 4.2 and 4.3. These write-offs equal
11 approximately \$11,381,494.76.

12 4.7.1 Providence shall transmit the letter attached as Exhibit B to every
13 patient to whom it provides an account write-off under 4.7 notifying the patients of any applied
14 account write-off. If the letter notifying the patient of a write-off is being mailed to a patient or
15 guarantor receiving a payment under 4.2 or 4.3, Exhibit B may be mailed in the same envelope
16 with the check and Exhibit A.

17 4.7.2 Providence represents that it previously wrote off \$125,802,665 in
18 outstanding balances owed by the patients described in 4.2 and 4.3.

19 4.8 Following entry of this Consent Decree, Providence shall determine if any of its
20 debt collectors engaged in derogatory credit reporting with respect to any account to which it
21 issued a payment or write-off pursuant to 4.2, 4.3, or 4.5. If such derogatory credit reporting
22 occurred, Providence will make its best efforts to re-report the patient's account as paid in full,
23 or take other actions to repair damage done to the consumers' credit report and/or score,
24 including working with its collection agencies to correct any adverse reporting. Within six
25 months of entry of the Consent Decree, Providence will provide a narrative of its efforts under
26 this 4.8.

1 **V. MONETARY PAYMENT**

2 5.1 Pursuant to RCW 19.86.080, Providence shall pay the State the amount of
3 \$4,534,312.05, of which \$2,500,000 represents reimbursement of the Attorney General's
4 attorneys' fees and costs in this matter. The Attorney General shall use the funds for recovery
5 of its costs and attorneys' fees in investigating this matter, future monitoring and enforcement
6 of this Consent Decree, future enforcement of RCW 19.86, or for any lawful purpose in the
7 discharge of the Attorney General's duties at the sole discretion of the Attorney General.

8 5.2 Payment owing under this provision shall be in the form of a valid check paid to
9 the order of the "Attorney General—State of Washington" and shall be due and owing within
10 sixty (60) days of the entry of the Consent Decree. Payment shall be sent to the Office of the
11 Attorney General, Attention: Margaret Farmer, Litigation Support Manager, 800 Fifth Avenue,
12 Suite 2000, Seattle, Washington 98104-3188.

13 5.3 Providence's failure to timely make payments as required by this Consent Decree
14 by the date of entry of this Consent Decree, without written agreement by the State, shall be a
15 material breach of this Consent Decree.

16 **VI. ENFORCEMENT**

17 6.1 Providence shall be in full compliance with all requirements and obligations this
18 Consent Decree imposes on it by the date of entry of this Consent Decree, except as otherwise
19 indicated herein.

20 6.2 If Providence violates a condition of this Consent Decree, the State may seek the
21 imposition of additional conditions, civil penalties of up to \$125,000.00 per violation pursuant
22 to RCW 19.86.140, restitution, injunctive relief, attorney's fees, costs, and such other remedies
23 as the Court may deem appropriate. In any successful action to enforce this Consent Decree
24 against Providence, Providence shall bear the State's costs, including reasonable attorneys' fees.

25 6.3 Jurisdiction is retained by this Court for the purpose of enabling any party to this
26 Consent Decree to apply to the Court, to the extent permitted herein, for enforcement of

1 compliance with this Consent Decree, to punish violations thereof, or otherwise address the
2 provisions of this Consent Decree.

3 6.4 Nothing in this Consent Decree shall grant any third-party beneficiary or other
4 rights to any person who is not a party to this Consent Decree.

5 6.5 Except as provided herein, nothing in this Consent Decree shall be construed to
6 limit or bar any other governmental entity or person from pursuing other available remedies
7 against Providence or any other person.

8 6.6 Under no circumstances shall this Consent Decree, or the name of the State of
9 Washington, this Court, the Office of the Attorney General, the Consumer Protection Division,
10 or any of their employees or representatives be used by Providence or any of its respective
11 owners, members, directors, successors, assigns, transferees, officers, agents, servants,
12 employees, representatives, and all other persons or entities in active concert or participation
13 with Providence, in connection with any selling, advertising, or promotion of products or
14 services, or as an endorsement or approval of Providence's acts, practices, or conduct of
15 business.

16 6.7 The State shall be permitted, upon advance written notice of twenty (20) days to
17 Providence, to access, inspect, and/or copy business records or documents in possession,
18 custody, or under control of Providence to monitor compliance with this Consent Decree;
19 provided that the inspection and copying shall avoid unreasonable disruption of Providence's
20 business activities. The State shall not disclose any information described in this Paragraph 6.7
21 (Confidential Information) unless such disclosure is required by law. In the event that the State
22 receives a request under the Public Records Act, subpoena, or other demand for production that
23 seeks the disclosure of Confidential Information, the State shall notify Providence as soon as
24 practicable and in no event more than ten (10) calendar days after receiving such request and
25 shall allow Providence a reasonable time, not less than ten (10) calendar days, from the receipt
26 of such notice to seek a protective order relating to the Confidential Information or to otherwise

1 resolve any disputes relating to the production of the Confidential Information before the State
2 discloses any Confidential Information. Nothing in this Consent Decree shall affect the State's
3 compliance with the Public Records Act, RCW 42.56.

4 6.8 To monitor compliance with this Consent Decree, the State shall be permitted to
5 serve interrogatories pursuant to the provisions of CR 26 and CR 33 and to question Providence
6 or any officer, director, agent, or employee of Providence by deposition pursuant to the
7 provisions of CR 26 and CR 30 provided that the State attempts in good faith to schedule the
8 deposition at a time convenient for the deponent and his or her legal counsel.

9 6.9 This Consent Decree in no way limits the State from conducting any lawful non-
10 public investigation to monitor Providence's compliance with this Consent Decree or to
11 investigate other alleged violations of the CPA, which may include but, is not limited to,
12 interviewing customers or former employees of Providence.

13 6.10 This Consent Decree shall be binding upon and inure to the benefit of
14 Providence's successors and assigns..

15 6.11 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

For Providence:
24 Brad Fisher
25 Davis Wright Tremaine LLP
26 920 Fifth Avenue, Suite 3300
Seattle, WA 98104

EXHIBIT A



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Consumer Protection Division
800 Fifth Avenue • Suite 2000 • MS TB 14 • Seattle WA 98104-3188
(206) 464-7744

[Date]

Re: **Good News! You are Receiving a Refund**

Dear Patient:

Hospitals must inform Washingtonians about their legal right to receive financial help with their medical bills. My team filed a lawsuit against Providence Health and Services and its affiliates, Swedish Medical Center, and Kadlec Regional Medical Center, for not informing patients of financial assistance when Providence knew the patients were likely eligible.

As a result of this case, Providence hospitals must now make payments to patients, like you, who paid medical bills when they were likely eligible for financial assistance. **That is why you are receiving the enclosed check.**

If you have any questions, please contact [insert contact info].

You may also be eligible for financial assistance for other hospital care. In Washington, patients with income up to 400% of the Federal Poverty Level are eligible for financial assistance for any medically necessary care provided by a hospital. In 2024 dollars, this includes individuals with annual income up to \$58,000 and families of four with income up to \$120,000. If you have health insurance, you may still qualify for financial assistance for your out-of-pocket costs.

If you think you may be eligible for financial assistance, you should ask any hospital where you are treated to evaluate you for financial assistance. You can ask for financial assistance at any time, including after you have received a bill, paid for your care, or when your account is with a debt collector, and you may receive a refund or the forgiveness of your account balance.

Please visit <http://www.atg.wa.gov/charitycare> to learn more about Washington's financial assistance laws.

Sincerely,

BOB FERGUSON
Attorney General

Enclosure - Check

EXHIBIT B



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Consumer Protection Division
800 Fifth Avenue • Suite 2000 • MS TB 14 • Seattle WA 98104-3188
(206) 464-7744

[Date]

Re: **Good News! You No Longer Owe a Debt!**

Dear Patient:

Hospitals must inform Washingtonians about their legal right to receive financial help with their medical bills. My team filed a lawsuit against Providence Health and Services and its affiliates, Swedish Medical Center, and Kadlec Regional Medical Center, for not informing patients of financial assistance when Providence knew the patients were likely eligible.

Providence hospitals must now give refunds to patients, like you, who paid medical bills when they were likely eligible for financial assistance.

As a result of this case, you no longer owe [amount discharged] on account number [account number] to [hospital name].

If you have any questions, please contact [insert contact info].

You may also be eligible for financial assistance for other hospital care. In Washington, patients with income up to 400% of the Federal Poverty Level are eligible for financial assistance for any medically necessary care provided by a hospital. In 2024 dollars, this includes individuals with annual income up to \$58,000 and families of four with income up to \$120,000. If you have health insurance, you may still qualify for financial assistance for your out-of-pocket costs.

If you think you may be eligible for financial assistance, you should ask any hospital where you are treated to evaluate you for financial assistance. You can ask for financial assistance at any time, including after you have received a bill, paid for your care, or when your account is with a debt collector, and you may receive a refund or the forgiveness of your account balance.

Please visit <http://www.atg.wa.gov/charitycare> to learn more about Washington's financial assistance laws.

Sincerely,

BOB FERGUSON
Attorney General