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Superior Court of California
County of Los Angeles

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Sheri R. Carter, Executive Officer/Clerk
By: Roxanna Arraiga, Deputy

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**IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LOS ANGELES**

**REBECCA LEHMAN & HEATHER
WOMICK, individually and on behalf of
all others similarly situated;**

Plaintiffs,

v.

**HEALTH NET OF CALIFORNIA, INC.,
and HEALTH NET LIFE INSURANCE
COMPANY and DOES 1 through 100
inclusive,**

Defendants.

Case No.: BC567361

CLASS ACTION

**REVISED [REDACTED] ORDER GRANTING
MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION SETTLEMENT AND
DIRECTING DISSEMINATION OF CLASS
NOTICE**

Judge: Hon. Kenneth R. Freeman
Dept.: 310

1 THIS MATTER having been brought before the Court on Motion jointly by Plaintiffs
2 REBECCA LEHMAN and HEATHER WOMICK, (“Plaintiffs” or “Class Representatives”) and
3 by Defendants HEALTH NET OF CALIFORNIA, INC., and HEALTH NET LIFE INSURANCE
4 COMPANY (“Health Net”), through their respective attorneys, under Cal. R. of Ct. 3.769, for an
5 Order granting preliminary approval of a class action settlement and directing the dissemination of
6 class notice (the “Motion”); and the Court having reviewed the submissions of the Parties, having
7 held a hearing on January 4, 2018, and having found that the Parties are entitled to the relief they
8 seek; and for good cause shown;

9 IT IS ORDERED that the Motion is GRANTED, and it is further ORDERED as follows:

10 1. The proposed Class Settlement Agreement and Release dated March 20, 2018 (the
11 “Settlement Agreement”), filed with the Court, is preliminarily approved as being within the range
12 of potential final approval.¹

13 2. Based upon the submissions of the Parties and the evidence submitted therein, the Court
14 conditionally makes the following findings for settlement purposes only, subject to final affirmation
15 at the Fairness Hearing: (a) the members of the Settlement Class (“Settlement Class Members”)
16 are so numerous as to make joinder impracticable; (b) there are questions of law and fact common
17 to the Settlement Class, and such questions predominate over any questions affecting only
18 individual Settlement Class Members; (c) Plaintiffs’ claims and the defenses thereto are typical of
19 the claims of Settlement Class Members and the defenses thereto; (d) Plaintiffs and their counsel
20 can and have fairly and adequately protected the interests of the Settlement Class Members in this
21 action; and (e) a class action is superior to all other available methods for fairly and efficiently
22 resolving this action and provides substantial benefits to the Parties, the Settlement Class Members
23 and the Court.

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26 ¹ Unless otherwise specified, all defined terms in this Order have the same meaning as the meaning
27 described in the Settlement Agreement, and those terms are incorporated here by this reference. To
28 the extent there is any conflict between the definitions of those terms, the definitions in the
Settlement Agreement will control.

1 3. Accordingly, for purposes of this settlement only, the Court preliminarily approves
2 Plaintiffs REBECCA LEHMAN and HEATHER WOMICK (collectively “Class Representatives”)
3 as representatives of the Settlement Class, represented by the Settlement Class Counsel set forth
4 below, and conditionally certifies a Settlement Class defined as follows: all consumers who were
5 enrolled in a PPO ACA Health Plan in California at any time between January 1, 2014 and
6 December 31, 2014 and who obtained services from an Out-Of-Network Professional, claims for
7 which were previously submitted to Health Net by the Class Member or the out-of-network
8 professional. All Released Parties, the Court and members of their families within the first degree
9 of consanguinity, are excluded from the Settlement Class.

10 4. This matter is conditionally certified as a class action for settlement purposes only, under
11 California Code of Civil Procedure Section 382, California Civil Code Section 1781, and California
12 Rules of Court, Chapter 6, Rules 3.769 *et seq.*, as applicable. If the settlement does not receive
13 final approval, Defendant Health Net retains the right to assert that this action may not be certified as
14 a class action for liability purposes.

15 5. Shernoff Bidart Echeverria LLP, Consumer Watchdog counsel, and the Arns Law Firm
16 are appointed as Settlement Class Counsel.

17 6. The Court finds that the Settlement Agreement falls within the range of possible approval
18 such that it warrants notice thereof to be disseminated to the Settlement Class Members in the
19 manner set forth herein. Accordingly, the terms of the Settlement Agreement are preliminarily
20 approved, subject to a further final determination to be made after a Fairness Hearing, as defined
21 below.

22 7. A final hearing (the “Fairness Hearing”) shall be held before this Court on July 12 at
23 11:00 a.m., to determine whether: (a) for final affirmation, this action meets each of the
24 prerequisites for class certification and may properly be maintained as a class action on behalf of
25 the Settlement Class for settlement purposes; (b) the Court should finally approve the Settlement
26 Agreement and all terms contained therein as fair, reasonable, adequate, and in the best interests of
27 the Settlement Class; (c) the Court should enter final judgment in accordance and consistent with
28 the terms of the Settlement Agreement, by entering an Order substantially in the form of Exhibit 5

1 and a Judgment substantially in the form of Exhibit 6 to the Settlement Agreement (“Final Order
2 and Judgment”); and (d) to approve the provision in the Settlement Agreement for the payment of
3 attorneys’ fees and reimbursement of litigation expenses to Settlement Class Counsel, and
4 payments to the Class Representatives, as set forth in the Settlement Agreement. The Fairness
5 Hearing may be postponed, adjourned or continued by further order of this Court, without further
6 notice to the Settlement Class.

7 8. At the Fairness Hearing, the Court will consider and determine whether the Settlement
8 Agreement should be finally approved as fair, adequate and reasonable in light of any timely and
9 valid objections presented by Settlement Class Members and the Parties’ responses to any such
10 objections that have been submitted to the Court in accordance with the provisions set forth below.

11 9. Any Settlement Class Member may object to the fairness, reasonableness or adequacy of
12 the proposed settlement by appearing at the Fairness Hearing and presenting any evidence or
13 argument that may be proper. If a Settlement Class member wishes to object in writing to the
14 Settlement, then within forty-five (45) days after the Summary Settlement Notice is mailed, he or
15 she must deliver by hand or send, by first class mail (postage prepaid) or overnight delivery, a
16 notice of objection to the Settlement Administrator. The notice of objection must: (i) identify the
17 case name and number (*Rebecca Lehman, et al. v. Health Net of California, Inc., et al.*, Los Angeles
18 County Superior Court Case No.: BC567361); (ii) identify the person submitting the objection as a
19 Settlement Class member; (iii) attach copies of materials the Settlement Class member will submit
20 to the Court or present at the Fairness Hearing (if any); (iv) be signed by the Settlement Class
21 member; and (v) clearly state in detail: (1) the legal and factual ground(s) for the objection; (2) the
22 Settlement Class member’s name, address and, if available, telephone number; and (3) if
23 represented by counsel, such counsel’s name, address and telephone number. Any Settlement Class
24 member who fails to object in this manner shall be deemed to have waived such objection and shall
25 forever be barred from raising such objection in this or any other action or proceeding.

26 10. Any Person included within the Settlement Class who wishes to be excluded from
27 the Settlement Class must do so in writing by mailing a written request for exclusion from the
28 Settlement to the Settlement Administrator at the address(es) set forth in the Full Settlement Notice.

1 Such requests must be postmarked no later than 45 days after the Summary Settlement Notice is
2 mailed. The request must (1) identify the case name and number; (2) be signed by the person
3 seeking to be excluded from the Class; (3) clearly express the person's desire to be excluded from
4 the Class; and (4) include the person's name, address and, if available, telephone number and, if
5 represented by counsel, counsel's name, address and telephone number, so that they may be
6 contacted by counsel for the Parties, the Court, or the Settlement Administrator, if necessary. Any
7 person within the Settlement Class who wishes to be excluded from the Settlement Class can only
8 opt out for himself or herself (with the exception of a Settlement Class Member acting on behalf of
9 minor children). No person may opt out for any other person or any group of persons, nor can any
10 person within the Settlement Class authorize any other person to opt out on his or her behalf (with
11 the exception of a caregiver acting on behalf of a Settlement Class Member who requires such
12 assistance). Any request for exclusion that fails to satisfy the above requirements, or that has not
13 been timely sent, will be deemed ineffective, and any person included within the Settlement Class
14 who does not properly and timely submit a request for exclusion shall be deemed to have waived
15 all rights to opt out and shall be deemed a Settlement Class Member for all purposes.

16 11. The Court finds that the manner of dissemination and content of the settlement
17 notices as specified in detail in the Settlement Agreement will provide the best notice practicable
18 to the Settlement Class under the circumstances. All costs incurred in connection with the
19 preparation and dissemination of any settlement notices to the Settlement Class shall be promptly
20 paid by Health Net. The Court hereby also approves the appointment of Garden City Group as the
21 Settlement Administrator for the purpose of disseminating the class notices (Exhibits 1 and 2 of the
22 Settlement Agreement), the forms of which are hereby approved. If there is disagreement about
23 the substance or format of the specimen notice letters, the Parties will attempt to first resolve the
24 disagreement with Robert Kaplan of Judicate West, or another neutral agreed to by the Parties,
25 before seeking assistance from the Court.

26 12. If the Settlement Agreement is finally approved, the Court shall enter a Final Order
27 and Judgment, substantially in the form of Exhibit 5 and Exhibit 6 to the Settlement Agreement,
28 that will be consistent and in accordance with the terms of the Settlement Agreement and will: (a)

1 finally approve the terms of the Settlement Agreement, including the provision for the payment of
2 attorneys' fees and payments to the Plaintiffs, as fair, reasonable and adequate; (2) do so without
3 costs except as provided for under the terms of the Settlement Agreement; (3) release the Released
4 Parties of and from all further liability to the Plaintiffs and Settlement Class Members with respect
5 to the Released Claims as set forth in the Settlement Agreement; and (4) permanently bar and enjoin
6 Plaintiffs and Settlement Class Members from bringing, filing, commencing, prosecuting (or
7 further prosecuting), maintaining, intervening in, participating in, assisting in any way, formally or
8 informally, except as required by law, or receiving any benefits from, any other lawsuit, arbitration,
9 or administrative, regulatory or other proceeding or cause of action in law or equity that asserts the
10 Released Claims, all consistent and in accordance with the terms of the Settlement Agreement.
11 Such Final Order and Judgment shall be fully binding with respect to all members of the Settlement
12 Class who have not timely and validly requested exclusion and the Released Parties.

13 13. In the event that the proposed settlement provided for in the Settlement
14 Agreement is not approved by this Court, or entry of the Final Order and Judgment does not occur
15 for any reason, or any approval is successfully appealed, then the Settlement Agreement, all drafts,
16 negotiations, discussions, and documentation relating thereto, and all orders entered by this Court
17 in connection therewith shall become null and void. In such event, the Settlement Agreement
18 and all negotiations and proceedings relating thereto shall be withdrawn and of no further force
19 and effect without prejudice to the rights of the Parties, who shall be restored to their respective
20 positions as of the date of the execution of the Settlement Agreement.

21 14. The dates of performance are as follows:

22 a. The Full Settlement Notice substantially in the form attached to the Settlement
23 Agreement as Exhibit 2 shall be posted on a settlement website in English and Spanish no later than
24 the date that the Summary Settlement Notice (Exhibit 1 to the Settlement Agreement) is mailed to
25 the Settlement Class. A copy of the Settlement Agreement shall be made available to the public
26 through the settlement website. In addition, Health Net or the Settlement Administrator will
27 promptly establish a toll-free automated telephone number that Settlement Class Members can call
28 to hear information in English and Spanish regarding the settlement. This toll-free number will be

1 operational no later than the date that the Summary Settlement Notice (Exhibit 1 to the Settlement
2 Agreement) is mailed to the Settlement Class and shall be operational until the Claims Review
3 process described in the Settlement Agreement is completed.

4 b. Within 30 days after entry of this Order, by May 11, 2018, the Summary Notice
5 substantially in the form of Exhibit 1 attached to the Settlement Agreement and the Claims Form
6 substantially in the form of Exhibit 3 attached to the Settlement Agreement shall be mailed directly
7 to each Settlement Class Member, and shall refer Settlement Class Members to the Health Net
8 settlement website for purposes of obtaining detailed information or answers to questions relating
9 to the terms of the settlement, including any relevant deadlines for the Fairness Hearing.

10 a. The deadlines for filing or submitting objections and requests for exclusion
11 by Settlement Class Members shall be June 25, 2018.

12 b. The Parties shall file and serve papers in support of final approval of the
13 settlement, including the provision for payment of attorneys' fees and reimbursement of litigation
14 expenses to Settlement Class Counsel and payment to the Class Representatives, by June 12, 2018.

15 c. The Parties may file responses to any timely and valid objections by July 6,
16 2018.

17 d. The class action administrator's report on class notice will be filed by July
18 6, 2018.

19 e. The Fairness Hearing shall be held before this Court on July 12 at 11:00 a.m.

20 15. This Court hereby enters a preliminary injunction barring and enjoining the Class
21 Representatives and all Settlement Class Members or the Released Parties from bringing, filing,
22 commencing, prosecuting, continuing to prosecute, maintaining, intervening in, participating in,
23 assisting in any way, formally or informally, except as required by law, or receiving any benefits
24 from any other lawsuit, arbitration, or administrative, regulatory, or other proceeding in law or equity
25 that asserts, arises from, concerns, or is in any way related to the Released Claims or the claims
26 set forth in the Settlement Agreement, as applicable to each, until such time as this Court has ruled
27 on the fairness of the settlement terms following the Fairness Hearing. This injunction shall be
28 deemed automatically vacated if the settlement is not finally approved or is reversed on appeal.

DATED: APR 09 2018

KENNETH R. FREEMAN

The Honorable Kenneth R. Freeman
Los Angeles County Superior Court Judge

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