

# CHW agrees to settle suit over charges for uninsured

Hundreds of millions in refunds likely

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BY [Chris R](#)

[Catholic Healthcare West](#) has reached a preliminary agreement to settle a class-action lawsuit alleging that it overcharged uninsured patients at its hospitals in California, Arizona and Nevada over the past five years, lawyers for the plaintiffs said June 14.

If approved in court next month, the proposed settlement could result in payment of "hundreds of millions of dollars in refunds and bill adjustments," said Kelly Dermody, an attorney for the plaintiffs.

Catholic Healthcare West, a 41-hospital system based in San Francisco, is one of the largest hospital chains in the state, and one of the largest Catholic systems in the nation.

CHW confirmed June 14 that the San Francisco-based hospital system has agreed to settle the suit, *Dancer v. Catholic Healthcare West*, which was filed in October 2005. The agreement requires approval by San Francisco Superior Court Judge Richard Kramer, however; a hearing on the matter is scheduled for July 12.

"We settled the suit to put this matter behind us, avoid the cost of litigation, and focus our resources on caring for patients," CHW officials said. The system has denied wrongdoing in the case. CHW said it will retroactively apply its existing payment assistance policy, which took effect in May 2004, to cover

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patients "excessive and unfair prices" for medical treatment at CHW-affiliated hospitals, and engaged in aggressive and unfair collections processes.

Exact terms of the proposed settlement were not disclosed. According to the plaintiffs' attorneys, the tentative settlement would cover patients who:

- Received hospital services from a CHW hospital between July 1, 2001 and the date the preliminary settlement is approved.
- Were uninsured at the time of treatment.
- Earned less than \$250,000 in gross household income during the calendar year in which they received those services.

"I am very happy that CHW is doing the right thing by its uninsured patients," lead plaintiff Dancer said in the June 14 statement. "I hope that uninsured patients will complete settlement claims forms because they could get refunds or debt reduction up to 100 percent."

CHW, meanwhile, described the issue of hospital pricing as part of a broader crisis in health care, marked by a growing number of uninsured Americans and a growing gap between reimbursements from the government and private insurers and the actual cost of delivering care. CHW said it is working with a variety of groups to address those issues and identify "realistic and cost-effective solutions."