

A CLASS ACTION SETTLEMENT MAY AFFECT YOUR RIGHTS

IF YOU ARE A CLASS MEMBER, YOU MAY BE ABLE TO CLAIM A SHARE OF THE SETTLEMENT FUND

A court authorized this notice. This is not a solicitation from a lawyer.

- *Lopez v. Health Management Associates, et al.*, is a lawsuit filed by Angela Lopez alleging that Yakima Regional Medical Center and Toppenish Community Hospital (together, “the Hospitals”) did not screen indigent patients for charity care before seeking payment for hospital services.
- The parties have reached a \$4,500,000 settlement in this case, subject to approval by the Court. You may be entitled to payment under the settlement if you are a Class Member. You should carefully read this notice to determine if (1) you are a Class Member and (2) whether you are entitled to claim a share of the settlement.
- You are a Class Member if you: (1) received medical services from one or both of the Hospitals at any time between October 22, 2007 and September 1, 2014; (2) were indigent at the time you received those services; and (3) were not screened for charity care. **You are not a Class Member simply because you got this notice.**
- Class Members are entitled to make a claim under the Agreement. Two types of claims may be made. If you had to pay for hospital services out of your own pocket while indigent, then you may have a “Payment Loss Claim.” If collection efforts were instituted against you for charges that should have been covered by charity care and you paid something, then you may also be eligible to make a “Debt Collection Loss” claim. This notice and the enclosed claim form materials describe the exact requirements for both claim types, including how you can determine if you were “indigent” at the time services were received.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT IF YOU ARE A CLASS MEMBER:

<p>(1) MAKE A CLAIM FOR PAYMENT UNDER THE SETTLEMENT AGREEMENT.</p>	<p>If you are a Class Member, you may submit a claim.</p> <p>You are entitled to make a claim if you, while indigent, paid for hospital services received between October 22, 2007 and September 1, 2014. You may also make a claim for financial losses you sustained as the result of any collection efforts brought against you for payment of hospital services during this same time period that should have been paid by charity care. The claim forms and instructions detail the exact requirements for both types of claims.</p>
<p>(2) COMMENT ON OR OBJECT TO THE SETTLEMENT AGREEMENT.</p>	<p>If you are a Class Member, then you have the right to comment on, object to, or support the proposed Agreement. The Court will decide whether to approve or reject the proposed Settlement Agreement after a Final Hearing.</p> <p>The final approval hearing is scheduled for April 28, 2017 at 11:00 a.m. at the Yakima County Courthouse, 128 North 2nd Street, Yakima, Washington, in the courtroom of the Honorable Susan L. Hahn.</p>
<p>(3) YOU MAY ASK TO BE EXCLUDED FROM THE CASE AND SETTLEMENT AGREEMENT.</p>	<p>If you are a Class Member, you may opt out of the Class.</p> <p>If you opt out, you are prohibited from filing a claim and obtaining payment. You will keep the right to file a separate lawsuit. YOU DO NOT NEED TO OPT OUT IF YOU DO NOT HAVE ANY CLAIMS.</p>
<p>(4) YOU MAY DO NOTHING.</p>	<p>You are not required to take any action, but you must make a claim to receive payment.</p> <p>If you do nothing, you will not be able to bring a lawsuit against the Hospitals arising out of the same facts involved in this case.</p>

FREQUENTLY ASKED QUESTIONS

1. Why did I get this notice?

You are receiving this notice because you or a member of your family received services from Yakima Regional Medical Center (“YRMC”) and/or Toppenish Community Hospital (“TCH”) between October 22, 2007 and September 1, 2014. **You are not a Class Member simply because you got this notice.** You are only a Class Member if you fit the following definition:

All individuals who:

- (1) obtained “appropriate hospital-based medical services” from YRMC and/or TCH at any time between October 22, 2007 and September 1, 2014;
- (2) were, at the time of service, “indigent”; and
- (3) were not screened for charity care.

The terms “appropriate hospital-based medical services” and “indigent” have the same meaning as those terms are defined in WAC 246-453-010.

If you do not meet this definition, then you are NOT a Class Member and you should disregard this notice. If you are unsure whether you are a Class Member, then you may call 1-800-631-1323 x 804 for assistance.

Information concerning your medical care (called Protected Health Information), is highly confidential and is protected under both state and federal law. The Hospitals have not disclosed your medical information to anyone. Your name and address have been provided only to a Court-appointed administrator on a confidential basis, under a Court order, for the purpose of mailing this notice. If you make a claim, certain financial information may also be provided to the administrator on a confidential basis under a Court order in order to verify your claims.

2. What is a class action, and who is involved?

In a class action lawsuit, individuals called “Class Representatives” sue individuals or entities on behalf of themselves and others who may have similar claims. In this type of lawsuit, one Court makes decisions on behalf of everyone in the Class. If you are a Class Member, then you have certain rights when a class action is proposed to be settled. Those rights include the right to opt out, object to, support, or comment on the proposed settlement of the case. You may also have the right to make a claim, and receive payment, in the event the Court approves the settlement.

3. What are these lawsuits about?

This case was originally filed on October 22, 2013 by Angela Lopez, who alleged that her hospital, Yakima Regional Medical Center, failed to inform and screen her for charity care before demanding payment, in violation of Washington’s Charity Care Act. Mrs. Lopez alleged that this failure, along with other acts and omissions, breached the contract between the Hospitals and their patients and violated Washington’s Consumer Protection Act.

Over the next three years of litigation, the Court ruled that the case should be a class action, and notice was sent to potential Class Members informing them of this lawsuit. The Court then ruled that the Hospitals, as a matter of law, breached their contracts with Class Members, and that the Hospitals violated the Consumer Protection Act by failing to properly screen Class Members for charity care and by demanding payment from them before screening them for charity care.

The parties entered into mediation with a professional mediator in August 2016. With the assistance of the mediator, the parties entered into a settlement, subject to Court approval, in November 2016.

4. What does the proposed Settlement Agreement provide?

The main points of the Agreement are described below. You are encouraged to review the entire proposed Agreement, which is available at www.symslaw.com/lopezlitigation/. To be effective, the Court must approve the Agreement.

The following is only a summary of the Agreement. To the extent there is any conflict between this summary and the Agreement, the language of the Agreement is controlling.

◆ **Change in Charity Care Policies**

The Agreement provides that for as long as Health Management Associates, Inc., Yakima HMA, LLC, and Hospital Management Associates, LLC (“Defendants”) own YRMC and TCH, they will implement a charity care program that is fully consistent with the requirements of the Washington Charity Care Act, Chapter 70.170 RCW and Chapter 246-453 WAC, and the Charity Care policies filed with the Department of Health.

They agree to further changes to ensure true accessibility for its charity care program. Defendants will have all written materials for the charity care program translated into Spanish, and other languages when necessary, using state-certified interpreters. The charity care forms will be provided to all patients upon request, and Defendants will post them on their websites. Charity care will be available for all “appropriate hospital-based medical services” whether provided on a scheduled, urgent or emergency basis, and regardless of the cost of the service.

Defendants must screen all patients for charity care eligibility, as required by the Charity Care Act. Defendants will not demand deposits from patients or those who are financially responsible for patients until the treating facility has first screened the patient for charity care. If the patient is found eligible for partial charity care, the hospitals may only seek a deposit in an amount consistent with the grant of partial charity care.

Defendants will ensure that a patient’s charity care application is based on the patient’s financial status at the time of service, even if collection efforts have begun. All collection efforts will cease while a charity care application is pending.

◆ **Ongoing Monitoring of Defendants’ Charity Care Programs**

Columbia Legal Services will provide ongoing monitoring to any changes in the Defendants’ charity care programs at the two hospitals. Any changes to the charity care program can only be made to conform to changes in Washington law. When Defendants change their charity care program, they must provide at least 30 days’ advance notice of the changes to Columbia Legal Services’ Yakima office. In addition, for the five calendar years following this Settlement Agreement, Defendants must conduct annual internal audits of charity care statistics for the two hospitals. These results must be reported to Class Counsel, who must attempt to first resolve the concerns with Defendants. Should those issues not be resolved by informal negotiations, the Class can seek relief from the Court.

◆ **\$4,500,000 Settlement Fund**

The Agreement provides that \$4,500,000 shall be paid by Defendants. This money is to be used to pay attorneys’ fees, litigation costs, notice costs, incentive awards, administration costs, arbitration costs, Claims Ombudsman expenses, payments of approved claims of Class Members, and if funds permit, payment of enhanced claim amounts (up to three times the approved claim) and *cy pres* award(s). Class Counsel believes, but does not guarantee, that the Settlement Fund will be sufficient to pay Class Members who make claims ***in excess of the amount claimed***, even after the payment of attorneys’ fees, costs, incentive award and administration expenses.

◆ **Payment Loss Claims**

Class Members who paid out of pocket for hospital services from October 22, 2007 to September 1, 2014 while indigent are eligible to seek payment of a "Payment Loss Claim." The enclosed Payment Loss Claim Form and instructions detail the requirements for making such a claim.

◆ **Debt Collection Loss Claim**

Class Members who sustained out-of-pocket losses as a result of collections efforts instituted against them for payment of services that should have been covered by Charity Care from October 22, 2007 to September 1, 2014 are entitled to make a "Debt Collection Loss Claim." Recoverable losses may include interest, penalties, attorneys' fees, court costs and related charges and expenses actually paid by the Class Member as the result of a collection effort.

◆ **Verification of Claims**

The Claims Administrator must verify all claims submitted by Class Members by confirming with Defendants that (1) each Class Member was a patient at either YRMC or TCH at or around the time indicated on the Claim Form; and (2) payments were made by the Class Member (and not by insurance or a governmental entity). For a Debt Collection Loss claim, the Claims Administrator will verify with Defendants that the Class Member was subject to collection efforts, or that her or his account was assigned or sold for collection as a result of services received at YRMC and TCH. To the extent the information is available, the Claims Administrator will also verify the amount of any payments made as a result of those collection efforts. To the extent there is a difference between the amount identified by Defendants and that of the Class Member, the Class Member will have the opportunity to amend his or her claim.

◆ **Treble Payment if Sufficient Funds Available; Otherwise *Pro Rata* Reduction**

If there are sufficient funds available, each approved claim shall be paid at three times its approved amount (the "Enhanced Claim Amount"). If insufficient funds are available, then the amounts shall be reduced on a *pro rata* basis.

◆ ***Cy Pres* Award**

If excess funds remain after paying all claims at three times the amount approved without a *pro rata* reduction, as well as all approved attorneys' fees, litigation costs, and costs of administration (including the cost of the Class Ombudsman), then the Court shall make a *cy pres* award. Pursuant to CR 23(f)(2), 25% of the excess funds shall be paid to the Legal Foundation of Washington. The remaining excess funds must be distributed to "organization(s) who serve indigent individuals in obtaining access to health care and health coverage, including legal representation, in the Yakima and Toppenish regions."

◆ **Attorneys' Fees, Litigation Costs and the Costs of Claims Administration**

Class Counsel will seek attorneys' fees under the common fund/common benefit doctrine in an amount up to, but not exceeding, 35% of the Settlement Amount or \$1,575,000. Litigation, Claims Ombudsman, Class Notice and claims processing costs will also be paid from the settlement amount. Finally, an incentive award, not to exceed \$35,000, will be paid from the settlement to the Named Plaintiff. All of these disbursements are subject to Court review and approval.

You are permitted to review, object to, support, or comment on Class Counsel's request for attorneys' fees and costs. On or before January 30, 2017, Class Counsel will post its fee and cost application at www.symslaw.com/lopezlitigation/. Alternatively, you may write or email Class Counsel and request that a copy of the application be sent to you.

◆ **Claims Release**

Class Members who do not opt out of the Class will, in exchange for benefits of the Agreement, release all claims for damages and injunctive relief relating to Defendants' provision, denial, failure to consider, failure to inform, and/or consideration of applications for charity care, or for collection of or request for payments by or on behalf of Class Members as alleged in, or that could have been alleged in, the case.

6. When will the Settlement Fund be available?

The Court must finally approve the Agreement and, if any Class Members appeal, a final adjudication of any appeal(s) must be made before these funds are available. It is unknown at this time when payment will be made. For updates, you may refer to www.symslaw.com/lopezlitigation/ for an estimate of when claims will be paid.

7. How can I respond to the proposed Settlement Agreement?

◆ You May Opt Out (Exclude Yourself or Your Dependent).

If you wish to opt out or exclude yourself or your dependent, then you must send in the enclosed "Opt-Out Form." It must be sent to the address below, and must be received by **April 7, 2017**. If you choose to opt out, you must send the Opt-Out Form to:

Lopez Settlement Opt-Out
P.O. Box 2926
Seattle, WA 98111

If you opt out, then you will not be entitled to make a claim, or receive payment, if the proposed Agreement is approved. You will, however, retain any rights you may have to pursue individual claims against the Defendants. If you believe that you have such claims, you may wish to consult with your own legal counsel.

◆ You May Comment on, Object to, or Support the Proposed Agreement.

The Court will hold a hearing on the proposed Settlement Agreement to consider comments and approve or reject the Agreement. The final approval hearing is scheduled for April 28, 2017 at 11:00 a.m. at the Yakima County Courthouse, 128 North 2nd Street, Yakima, Washington, in the courtroom of the Honorable Susan L. Hahn.

You are not required to attend the hearing, and you are not required to be present to submit comments for consideration. All comments on the Agreement, however, must be submitted in advance to the address listed below.

You may attend the hearing and may choose to bring a legal representative if you wish and at your own expense. You must tell the Court you plan to come to the hearing to object to, comment on, or formally support the Settlement Agreement or the Class Representative's request for payment of attorneys' fees, costs, expenses or case contribution awards by **April 7, 2017**.

◆ Addresses to Comment on, Object to, or Support the Proposed Agreement

If you choose to submit written comments or appear at the Court hearing, your letter must be received no later than **April 7, 2017** and must be mailed to:

Lopez Settlement Submission
P.O. Box 2926
Seattle, WA 98111

All communications with the Court must be in writing. Class Members should not call the Court.

8. What happens if I do nothing at all?

You are not required to do anything related to this lawsuit. If you do not make a claim, however, then you will not receive any payments from the settlement. If you do nothing any claims you have against the defendants regarding the provision or screening of charity care that could have been brought in this lawsuit will be released.

9. Where can I get more information?

For information about your rights related to the lawsuit, you may refer to the information at www.symslaw.com/lopezlitigation/ or write or call the Claims Ombudsman, an individual specifically hired to provide advice, support and assistance to Class Members in all aspects of the settlement process:

Lopez Litigation Ombudsprogram
Columbia Legal Services
6 South Second Street, Suite 600
Yakima, WA 98901
Ph: 1-800-631-1323 x 804

You may also contact Class Counsel at the following addresses:

Richard Spoonemore or Eleanor Hamburger
SIRIANNI YOUTZ SPOONEMORE HAMBURGER
701 Fifth Avenue, Suite 2650
Seattle, WA 98104
Email: rspoonemore@sylaw.com or ehamburger@sylaw.com

Andrea Schmitt
Columbia Legal Services
711 Capitol Way S., #304
Olympia, WA 98506
Email: Andrea.schmitt@columbialegal.org

