

**XAVIER BECERRA**  
**Attorney General**

**State of California**  
**DEPARTMENT OF JUSTICE**



1300 I STREET, SUITE 125  
P.O. BOX 944255  
SACRAMENTO, CA 94244-2550

Public: (916) 445-9555  
Telephone: (619) 738-9559  
E-Mail: [Darcie.Tilly@doj.ca.gov](mailto:Darcie.Tilly@doj.ca.gov)

March 2, 2021

Hoag Memorial Hospital Presbyterian (*Hoag*)  
One Hoag Drive  
Newport Beach, CA 92663  
Attn: Robert T. Braithwaite, Chief Executive Officer  
c/o Steven Velkei, [svelkei@velkeilaw.com](mailto:svelkei@velkeilaw.com) (via email)

St. Joseph Health System (*SJHS*)  
3345 Michelson Drive  
Irvine, CA 92612  
Attn: Greg Hoffman, Chief Executive Officer  
c/o Michael Tu, [mtu@orrick.com](mailto:mtu@orrick.com) (via email)

Covenant Health Network, Inc. (*CHN*)  
307 Placentia, Suite 111  
Newport Beach, CA 92663  
Attn: Eric Wexler, Chief Executive Officer  
c/o Michael Tu, [mtu@orrick.com](mailto:mtu@orrick.com) (via email)

Providence Health & Services (*PH&S*)  
1801 Lind Ave. SW  
Renton, WA 98057  
Attn: Rod Hochman, M.D., President and Chief Executive Officer  
c/o Michael Tu, [mtu@orrick.com](mailto:mtu@orrick.com) (via email)

RE: Ethical and Religious Directives at Hoag Memorial Hospital Presbyterian

Dear Messrs. Braithwaite, Hoffman, Wexler and Hochman:

Our office writes to your respective entities to monitor their compliance with: **(1)** February 8, 2013 Conditions to Approval of Affiliation Agreement by and between Hoag Memorial Hospital Presbyterian, Covenant Health Network, Inc., St. Joseph Health System, Mission Hospital Regional Medical Center, St. Jude Hospital, St. Joseph Hospital of Orange, and St. Mary Medical Center (*Hoag-SJHS 2013 Conditions*); **(2)** March 18, 2014 Agreement between Hoag Memorial Hospital Presbyterian and the Office of the California Attorney General (*Hoag 2014 Agreement*); and **(3)** June 21, 2016 Conditions to Change in Control and Governance of Providence Saint Joseph Medical Center and Approval Health System Combination Agreement by and between St. Joseph Health System and Providence Health &

Services and the Supplemental Agreement by and between St. Joseph Health System, Providence Health & Services, and Hoag Memorial Hospital Presbyterian (*PH&S-SJHS 2016 Conditions*).<sup>1</sup> Specifically, this letter relates the following provisions:

- Paragraphs 2.14.3 and 10.1.1 of the Hoag-SJHS Affiliation Agreement, including as incorporated into Condition II of the Hoag-SJHS 2013 Conditions and Condition II of the PH&S-SJHS 2016 Conditions, the latter of which incorporated Paragraph 9.0 of Exhibit 8.13 of the PH&S-SJHS Combination Agreement via Paragraph 8.13 of the PH&S-SJHS Combination Agreement;
- Condition VI of the Hoag-SJHS 2013 Conditions, as amended by the Hoag 2014 Agreement, including as incorporated into Condition II of the PH&S-SJHS 2016 Conditions, which incorporated Paragraph 9.0 of Exhibit 8.13 of the PH&S-SJHS Combination Agreement via Paragraph 8.13 of the PH&S-SJHS Combination Agreement; and
- Paragraph 3 of the Hoag 2014 Agreement, including as incorporated into Condition II of the PH&S-SJHS 2016 Conditions, which incorporated Paragraph 9.0 of Exhibit 8.13 of the PH&S-SJHS Combination Agreement via Paragraph 8.13 of the PH&S-SJHS Combination Agreement.

This office is monitoring whether Catholic Ethical and Religious Directives (*ERDs*) are or have been applied to any aspect of a service, procedure, or other activity associated with a medical billing code, with the exception of direct abortions,<sup>2</sup> performed by Hoag obstetrician/gynecologists (*OB/GYNs*). We are also monitoring whether administrative hurdles are or have been placed on Hoag OB/GYNs' efforts to obtain reimbursement for ERD-restricted women's reproductive services, procedures, or other activities that are performed on/for patients insured through health maintenance organizations (*HMOs*).

To assist with our office's monitoring efforts, we request each entity respond to the following requests, to the extent such information or documents are in the entity's possession, custody, or control. Unless otherwise stated, the relevant time frame is from 2013 to the present.

1. Identify the managed care plan administrator relevant to Hoag OB/GYNs. The term "identify" as it pertains to this request means provide: (a) the legal name and any "d/b/a" of the entity; (b) its state of incorporation; (c) its current address; (d) its mission; (e) whether the entity follows ERDs; (f) the managed care plans administered and the dates the entity administered each plan; (g) copies of the agreements between Hoag and the entity related to managed care plan administration; and (h) copies of any resolution,

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<sup>1</sup> (*See Hoag-SJHS 2013 Conditions ¶ XIII; PH&S-SJHS 2016 Conditions ¶ XVII; Corp. Code § 5250.*)

<sup>2</sup> Responses do not need to address in-hospital direct abortions.

agreement, or minutes by Hoag, CHN, SJHS or PH&S relating to the decision that Hoag should use the entity as a managed care plan administrator.<sup>3</sup>

2. For the entity or entities identified in #1, state why that entity was selected to serve as the managed care plan administrator.
3. For the entity or entities identified in #1, describe whether Hoag, CHN, SJHS, or PH&S has an ownership interest in or control of the entity, whether Hoag, CHN, SJHS, or PH&S is/are in the same corporate family, and whether there are overlapping officers, board directors, employees, advisors or electronic document management systems / servers.
4. By year, for each managed care plan accepted by Hoag OB/GYNs, state the number of Hoag OB/GYNs accepting each plan.
5. List the reimbursement codes, and identification of the associated procedure, service, or activity, for OB/GYN procedures, services or activities restricted by ERDs.
6. Describe the process by which Hoag OB/GYNs seek reimbursement for procedures, services or activities performed on/for HMO patients. In the response to this request, address both procedures, services and activities that are restricted by ERDs and those that are not restricted by ERDs. In describing the process for obtaining reimbursement, identify (a) the job titles of the employees performing each step; (b) the identity of each employee's employer (legal name, state of incorporation, and current address); (c) the documents/forms necessary for each step; (d) the manner of transmitting such document (*e.g.*, email; facsimile; database entry); (e) any reference or training document available for employees to consult; and (f) the estimated length of time it takes to process a request for reimbursement.
7. Describe the process by which a Hoag OB/GYN HMO patient or her doctor can complain, grieve or object to a denial of request for reimbursement, including the process for responding to such complaint, grievance or objection. To the extent Hoag, CHN, SJHS, PH&S or an entity identified in #1 is involved in any part of the process of submitting or responding to complaints, grievances, or objections, identify (a) the job titles of the employees involved in the submission/response; (b) the identity of each employee's employer (legal name, state of incorporation, and current address); (c) the documents/forms necessary for each step of the submission/response; (d) the manner of transmitting such document (*e.g.*, email; facsimile; database entry); (e) any reference or training document available for employees to consult; and (f) the estimated length of time it takes to process a complaint, grievance or objection.

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<sup>3</sup> The term managed care plan administration, and related terms, is meant to include but is not limited to, an entity's efforts to obtain reimbursement from managed care plans for procedures, services or activities performed by Hoag OB/GYNs.

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8. Copies of all Hoag Women's Reproductive Services Advisory Council and Hoag Women's Health Services Committee meeting minutes, quarterly reports and/or annual reports. For this request, a response is only requested from Hoag.
9. For all documents, forms and databases identified or produced in response to the requests, identify the location that such document, form, or database is stored, and the applicable retention rules for such document, form, or database.

If documents are provided in response to a request, the productions should follow the production specifications contained in Attachment A.

If you believe additional context (facts, documents, or a narrative) will assist our office's review of the entities' compliance with the identified terms, our office encourages you to provide such context. Provision of any *additional* information will not exempt an entity from responding to each of the requests listed above.

We appreciate your prompt attention to this matter. We request a response to the above on or before **March 23, 2021**. If you want clarification about or object to the scope of any request or the production specifications, please contact me directly at [Darcie.Tilly@doj.ca.gov](mailto:Darcie.Tilly@doj.ca.gov), in advance of March 23, 2021, so that such requests/objections can be resolved expediently and your entity can provide a timely response.

*/s/ Darcie A. Tilly*

DARCIE A. TILLY  
Deputy Attorney General

For XAVIER BECERRA  
Attorney General

cc: Kathleen Boergers, Supervising Deputy Attorney General (via email)  
Brenda Ayon Verduzco, Deputy Attorney General (via email)