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**[EXEMPT FROM FILING FEES
UNDER GOVT. CODE, § 6103]**

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County of San Diego

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By M. Guyot, Deputy Clerk

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiff,

1

**HEALTH NET LLC, HEALTH NET OF
CALIFORNIA, INC., CALIFORNIA HEALTH
AND WELLNESS PLAN, AND DOES 1
THROUGH 20.**

Case No. 37-2021-00027383-CU-BT-CTL

**[PROPOSED] FINAL JUDGMENT
AND PERMANENT INJUNCTION**

Defendant.

1 Erin Bernstein (SBN 231539)
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1 Plaintiff, the People of the State of California, has filed a Complaint for relief in this
2 matter, alleging that Defendants Health Net, LLC, Health Net of California, Inc., Health Net
3 Community Solutions, Inc., and California Health and Wellness Plan (collectively “Health Net”
4 or “Defendants”) violated California Business and Professions Code, sections 17200 et seq. and
5 17500 et seq. Defendants denied wrongdoing. Plaintiff and Defendants agreed on the following
6 enhancements to Defendants’ provider directory to better serve the People. Plaintiff, by its
7 counsel, and Defendants, appearing through counsel, have agreed to the entry of this Final
8 Judgment (“Judgment”) by the Court without the taking of proof and without trial or adjudication
9 of any fact or law, without this Judgment constituting evidence of or an admission by Defendants
10 regarding any issue of law or fact alleged in the Complaint, and with all parties having waived
11 their right to appeal. With all parties waiving their right to appeal, with the Court having
12 considered the matter, and with good cause appearing states as follows:

13 **NOW THEREFORE, upon the consent of the Parties thereto, IT IS HEREBY
14 ORDERED, ADJUDGED, AND DECREED THAT:**

15 **I. PARTIES AND JURISDICTION**

- 16 1. Plaintiff is the People of the State of California.
- 17 2. Defendant Health Net LLC is a corporation organized under the laws of California
18 and has its principal place of business in Woodland Hills, California.
- 19 3. Defendant Health Net of California, Inc. is a corporation organized under the laws
20 of California and has its principal place of business in Woodland Hills, California.
- 21 4. Defendant Health Net Community Solutions, Inc. is a corporation organized under
22 the laws of California and has its principal place of business in Woodland Hills, California.
- 23 5. Defendant California Health and Wellness Plan is a corporation organized under
24 the laws of California and has its principal place of business in Sacramento, California.
- 25 6. This Court has jurisdiction over the allegations and subject matter of the People’s
26 Complaint filed in this action and the parties to this action; venue is proper in this County; and
27 this Court has jurisdiction to enter this Judgment.
- 28 7. This Judgment is entered pursuant to and subject to Business and Professions

1 Code, section 17200 et seq., and Business and Professions Code, section 17500 et seq.

2 **II. DEFINITIONS**

3 8. For the purposes of this judgment:

4 a. "Automated Process" means any process that involves automation and is
5 conducted at least monthly, which may include the use of an artificial intelligence, computer
6 program, or algorithm.

7 b. "Clear and Conspicuous" and "Clearly and Conspicuously" means such
8 size, color, contrast, location, duration, and/or audibility that it is readily noticeable, readable,
9 understandable, and capable of being heard.

10 c. "Defendants" and "Health Net" mean Health Net, LLC, Health Net of
11 California, Inc., Health Net Community Solutions, Inc., and California Health and Wellness Plan,
12 collectively.

13 d. "Duplicate Provider Directory Entries" means any Provider Directory
14 Entry for the same Provider as a different Provider Directory Entry, regardless of whether there
15 are differences in the name or contact information, unless a separate entry is necessary to indicate
16 that the Provider offers services at two or more different facilities or is affiliated with two or more
17 Preferred Provider Groups.

18 e. "Plaintiff" or "People" means Plaintiff the People of the State of
19 California.

20 f. "Provider" or "Providers" have the meaning ascribed in Health & Safety
21 Code, section 1345, subdivision (i).

22 g. "Provider Directory" or "Provider Directories" means an online or printed
23 registry published in compliance with Health & Safety Code, section 1367.27, with information
24 on contracting providers that deliver health care services to a plan's enrollees.

25 h. "Provider Directory Entry" or "Provider Director Entries" means an entry
26 in any of Health Net's Provider Directories.

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III. COMPLIANCE PROVISIONS

9. Pursuant to Business and Professions Code, sections 17203 and 17535, Defendants (including any assignees and successors) and, to the extent acting on behalf of Defendants (or any successor or assignee), any officers, directors, employees, representatives (other than legal counsel), subsidiaries, operating companies, or other affiliated entities that are working under contract to provide any type of service to Defendants subsequent to their entering into this agreement, shall:

- a. Implement an Automated Process to identify and remove all Duplicate Provider Directory Entries.
 - b. Revise online Provider Directory to utilize 11-digit Provider phone numbers.
 - c. Implement an Automated Process to identify and correct 10-digit phone numbers in the online Provider Directory that begin with the digits “1” or “0”.
 - d. Prohibit Providers from listing in their Provider Directory Entry any address at which they do not actually practice.
 - e. Where applicable, Clearly and Conspicuously identify in both the specific Provider Directory Entry and search result webpages when a Provider specializes in, or exclusively provides, telehealth services.
 - f. Utilize an Automated Process to analyze claims data from Providers’ CMS-1500 forms to identify addresses in the Provider Directory that are not consistent with the service facility location data that Providers identify in Box 32 of their CMS-1500 forms.
 - g. Implement an Automated Process that analyzes claims data to identify and remove from the Provider Directory, Providers who are determined to be inactive. Defendants may forgo this obligation by instead complying with the following:
 - i. Remove Providers from the Provider Directory who have no claims received in any preceding 12-month period, and reinstate only upon the Provider’s attestation of the accuracy of their Provider Directory Entry.

- ii. Remove Providers from the Provider Directory who have not attested to the accuracy of their Provider Directory Entry within a preceding 3-month period.
 - h. Provider Directory Entries for all providers licensed to conduct psychotherapy and primary care physicians must indicate that a Provider is not accepting new patients, where the Provider has no new patient utilization for a preceding period of six months and has not affirmatively represented that they are accepting new patients.
 - i. Display in each Provider Directory Entry, the date the entry was last updated.
 - j. Implement an Automated Process to analyze contract-termination data and remove Provider Directory Entries for Providers when no longer contracted.
 - k. Implement an Automated Process to identify and remove unlicensed or deceased Providers from the Provider Directory.
 - l. Implement an Automated Process to analyze data reported from the following sources, where possible, and conduct an annual manual review where it is not, to identify and remove any Providers from the Provider Directory that pursuant to the Provider's agreement with any of the Defendants should not be included: California Board of Behavioral Science, California Board of Registered Nursing, California Medical Board, California Osteopathic Medical Board, National Practitioner Data Bank SAM/EPLS, OIG/LEIE, OIG Most Wanted Fugitives, OFAC Specially Designated Nationals, Federal Social Security Death Master File, NPI Registry, Medicare Opt Out, CMS Preclusion List, FBI Most Wanted Registry, and Federal Terrorist Exclusion.
 - m. Implement an Automated Process that analyzes data, including claims data, to identify and either correct or remove from the Provider Directory, inaccurate Provider name, address, or phone number information. Defendants may forgo this obligation by instead complying with the following:
 - i. Anytime a Provider changes their contact information for claims

reimbursement purposes, but no less than once annually, cross-reference Provider contact information in Provider Directory with Provider contact information submitted for claims reimbursement purposes.

- ii. On a quarterly basis, conduct an audit of the following Provider Directory Entry fields: Provider name, phone number, service address, specialty and whether accepting new patients; and correct or suppress all Provider Directory Entries with inaccurate data.

- iii. Annually audit all Provider Directory phone numbers for accuracy and correct any discovered inaccuracies.

- n. Display a Clear and Conspicuous notice to members in the online Provider Directory of their right to coverage should they inadvertently get out-of-network care due to reliance on an inaccurate Provider Directory Entry.
 - o. Hire a consultant to advise on making the Provider Directory easier for consumers to use (particularly with respect to access to behavioral health), for providers to update directory information, and to streamline online Provider Directory flagging system so that members can more easily click on a button to report inaccurate Provider Directory information and be led directly to a form in which they can report the inaccuracy.
 - p. Promptly address all complaints about Provider Directory accuracy and have a process in place to correct reported inaccuracies in a way that is consistent with Health & Safety Code, section 1367.27.
 - q. Have a process in place to address each report, complaint, or flag for inaccuracy as an event that triggers all obligations under Health & Safety Code, section 1367.27, subdivision (o).
 - r. Maintain copies of Provider Directories for a term of five years.
 - s. Operate a phone line that is available to members who need assistance finding a Provider, 24 hours a day, 7 days a week and return any overnight messages

1 the next business day.

- 2 i. Display a Clear and Conspicuous notice to members of the availability
3 and function of the phone line on the online Provider Directory.
- 4 ii. Provide multi-lingual support for limited English proficiency calls.
- 5 t. Provide notice to members, including both Medi-Cal and commercial, and
6 employer customers that Health Net has made enhancements to its online
7 Provider Directory in conjunction with work with the Attorney General's
8 office and the San Diego City Attorney to enhance member access to care.
- 9 u. Comply with the provisions of Business & Professions Code, sections 17200,
10 et seq., and 17500 et seq., and Health & Safety Code, sections 1367.27 and
11 1374.72.
- 12 10. To comply with each of section III.9, subsections (f), (g), (k), and (m), Health Net
13 must validate the data it gets from the relevant Automated Process to be at least
14 90% accurate by conducting a statistically valid sample of information received,
15 within six months of implementation.
- 16 11. The above provisions of section III.9 must be conducted pursuant to the following
17 timetable:

| Time from Entry of Judgment: | Subsection of III.9: |
|-------------------------------------|--|
| One month | (n) |
| Three months | (a), (c), (p), (q), (r), (t) |
| Four months | (o), (s) |
| Six months | (i), (j) |
| Eight months | (b), (d), (f), (g), (h), (k), (l), (m) |
| Nine months | (e) |

25 12. If Health Net is unable to meet any of the deadlines in III.11, it must provide
26 notice of the delay and the reason for the delay to the People.

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IV. MONETARY PAYMENTS

13. Health Net is hereby ordered to pay \$12 million pursuant to Business and Professions Code, sections 17206 and 17536, as follows:

a. Health Net shall wire \$4 million to the Office of the California Attorney General, no later than thirty (30) days following the entry date of the Judgment, pursuant to instructions provided by the People. Defendants shall be responsible for any fees associated with initiating the wire transfer or issuing a check necessary to make the required payment.

b. Health Net shall wire \$4 million to the Office of the San Diego City Attorney, no later than thirty (30) days following the entry date of the Judgment, pursuant to instructions provided by the People. Defendants shall be responsible for any fees associated with initiating the wire transfer or issuing a check necessary to make the required payment.

c. Health Net shall wire \$2 million to the Office of the California Attorney General, no later than by September 1, 2026, pursuant to instructions provided by the People. Defendants shall be responsible for any fees associated with initiating the wire transfer or issuing a check necessary to make the required payment.

d. Health Net shall wire \$2 million to the Office of the San Diego City Attorney, no later than by September 1, 2026, pursuant to instructions provided by the People. Defendants shall be responsible for any fees associated with initiating the wire transfer or issuing a check necessary to make the required payment.

V. RELEASE

14. Upon entry of the Judgment and following full payment of the amount due as specified in the Judgment, the People shall release and discharge Health Net and its affiliates, subsidiaries, divisions, successors, directors, officers, employees, agents, and representatives from and against any and all causes of action alleged in the Complaint in this matter.

VI. GENERAL PROVISIONS

15. Jurisdiction is retained for the purpose of enabling any party to this Judgment to apply to the Court at any time for such further orders and directions as may be necessary and appropriate for the construction or carrying out of the Judgment, for the modification of any of

1 the provisions thereof, for the enforcement of compliance herewith, or for the punishment of
2 violations hereof.

3 16. The Office of the Attorney General intends to conduct ongoing compliance
4 monitoring of the terms of this Judgment using existing tools and authority.

5 17. The People retain all powers and rights available, including but not limited to
6 those under Business & Professions Code, section 17207, to enforce the terms of this Judgment
7 and pursue all remedies available for any failure to abide by its terms.

8 18. The People retain all other rights in order to address compliance issues, should
9 they arise, including pursing any authorized means by which provider directory accuracy can be
10 attained.

11 19. Defendants shall cooperate fully with the People in any investigation concerning
12 compliance with this Judgment, including but not limited to timely providing information and
13 documents necessary for the Attorney General to ensure compliance with this Judgment.

14 20. Defendants shall pay all court costs and reasonable attorneys' fees associated with
15 any filings to successfully enforce any provision of this Judgment. Unless otherwise directed by
16 the Parties, all notices under this Judgment shall be provided to the following via email:

17 For the People:
18 Ari Dybnis, Deputy Attorney General
19 Office of the Attorney General
20 300 S. Spring Street, Suite 1702
21 Los Angeles, CA 90013
22 Ari.Dybnis@doj.ca.gov

23 Kevin King
24 San Diego City Attorney's Office
25 1200 Third Avenue, Suite 1100
26 San Diego, CA 92101
27 kbking@sandiego.gov

28 For Defendants:

29 Steven M. Cady
30 Williams & Connolly LLP
31 680 Maine Ave, S.W.
32 Washington, DC 20024
33 scady@wc.com

General Counsel
Health Net
21281 Burbank Blvd.
Woodland Hills, CA 91367

21. All deadlines set in this Judgment may be extended by the written agreement of the Parties.

7 22. Nothing in this Judgment shall relieve the Defendants of their obligation to comply
8 with all federal, state, and local laws and regulations, including any applicable law or regulation
9 not mentioned herein. Nor shall anything in this Judgment preclude the People from conducting
10 new investigations or bringing a new action for any violation of applicable statutes or regulations
11 occurring after the date of entry of this Judgment. Nothing in this Judgment shall prevent
12 Defendants from raising any applicable defenses arising from a change in any law or regulation in
13 any other matter.

14 23. The clerk is ordered to enter this Judgment forthwith.

IT IS SO ORDERED, this 1st day of DECEMBER, 2025.

James Manganaro
JUDGE OF THE SUPERIOR COURT

DECLARATION OF SERVICE BY E-MAIL

Case Name: People v. Health Net
Case Number: 37-2021-00027383
Party Represented: People of the State of California

Declaration of Electronic Service

1. I am at least 18 years of age and not a party to this matter.
2. I am employed in the Office of the Attorney General of the State of California. My business address is 300 South Spring Street, Suite 1702, Los Angeles, CA 90013-1230, County of Los Angeles.
3. My electronic service address is Lenee.Pandino@doj.ca.gov.
4. On October 13, 2025, I electronically served the following document[s]:

[PROPOSED] FINAL JUDGMENT AND PERMANENT INJUNCTION

I electronically served the aforementioned document[s] by emailing them to the following individual[s]:

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Counsel for Plaintiff

I declare under penalty of perjury under the laws of the State of California and the United States of America that the foregoing is true and correct, and that this declaration was executed on October 13, 2025.

Lenee Pandino

Declarant

Lenee Pandino

Signature

SA2024305840
Proposed Order.docx