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11 on behalf of himself and all others
12 similarly situated

13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA

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17 IAN MOURA, on behalf of himself and
all others similarly situated,
18
19 Plaintiff,

20 vs.

21 KAISER FOUNDATION HEALTH
22 PLAN, INC.,
23 Defendant.

Case No.

CLASS ACTION

COMPLAINT FOR:

**BREACH OF THE EMPLOYEE
RETIREMENT INCOME
SECURITY ACT OF 1974;
ENFORCEMENT AND
CLARIFICATION OF RIGHTS;
PREJUDGMENT AND
POSTJUDGMENT INTEREST;
ATTORNEYS' FEES AND COSTS**

1 Plaintiff Ian Moura, on behalf of himself and all others similarly situated, herein
2 complains of Kaiser Foundation Health Plan, Inc. (hereinafter “Kaiser”), as follows:

3
4 **INTRODUCTION**

5 1. Plaintiff Ian Moura is 29 years old. He suffers with anorexia nervosa.
6 Approximately 20 million women and 10 million men suffer from a clinically
7 significant eating disorder at some time in their life. Eating disorders are the third
8 most common chronic illness among adolescents, and the incidence of eating disorders
9 in the United States has doubled since the 1960s. Eating disorders have the highest
10 mortality rate of any mental illness, in excess of twenty percent. They can lead to
11 medical complications including cardiac arrhythmia, heart failure, kidney stones and
12 kidney failure, cognitive impairment, osteoporosis, constipation, electrolyte imbalance,
13 muscle atrophy, amenorrhea, teeth erosion, irritation and tears of the throat, esophagus
14 and stomach, emetic toxicity, infertility and death. Suicide, depression and severe
15 anxiety are common side effects throughout the illness and treatment.

16 2. Eating disorders are treatable. They can be fully and successfully treated
17 to remission, though only ten percent of those suffering from an eating disorder receive
18 treatment. In this case, Kaiser wrongfully denied Plaintiff’s claim for treatment for his
19 eating disorder. As explained below, Kaiser engages in a pattern and practice of
20 behavior which results in the violation of plan terms, violation of ERISA and its
21 implementing regulations, and violation of the California Mental Health Parity Act and
22 the Federal Mental Health Parity Act. Kaiser also fails to comply with the California
23 Unruh Civil Rights Act and the California Medical Practices Act (also known as the
24 Corporate Practice of Medicine Doctrine).

25 **The California Mental Health Parity Act**

26 3. Under California’s Mental Health Parity Act (“Parity Act”), health
27 insurers must provide all medically necessary treatment for patients suffering from a
28 severe mental illness on the same financial terms and conditions (e.g., co-payments,

1 deductibles and lifetime maximums) as for physical illnesses. The Parity Act was
2 enacted in 1999, after the Legislature found that:

- 3 a) Mental illness is real.
- 4 b) Mental illness can be reliably diagnosed.
- 5 c) Mental illness is treatable.
- 6 d) The treatment of mental illness is cost effective.¹

7 The Legislature further found that most private health insurance policies had, until
8 then, provided coverage for mental illnesses at levels far below coverage for physical
9 illnesses; that limitations in coverage for mental illness in private insurance plans had
10 resulted in inadequate treatment; that inadequate treatment had caused “relapse and
11 untold suffering for individuals with mental illnesses and their families;” and that
12 inadequate treatment for mental illness “had contributed significantly to homelessness,
13 involvement with the criminal justice system, and other significant social problems.”
14 To remedy this disparity, the Parity Act mandates broad coverage for “Severe Mental
15 Illnesses,” including anorexia and bulimia.² The Parity Act is codified at California
16 Insurance Code section 10144.5 and Health and Safety Code section 1374.72.

17 **The Unruh Civil Rights Act**

18 4. The Unruh Civil Rights Act prohibits a “business establishment,”
19 including health plans, from discriminating against “persons” based on, among other
20 things, any “disability” or “medical condition.” The Unruh Act bars insurers from
21 imposing restrictions on benefits for patients who suffer from Severe Mental Illness,
22 that are not imposed on other patients, because of their mental “disability” or “medical
23 condition.” The Unruh Act is codified at California Civil Code section 51. It
24

25 _____
26 ¹ 1999 Cal. Legis. Serv. ch. 534 (A.B. 88).

27 ² The other Severe Mental Illnesses covered by the Parity Act are schizophrenia,
28 schizoaffective disorder, bipolar disorder, major depressive disorder, panic disorder,
obsessive-compulsive disorder, and pervasive developmental disorder of children
including autism.

1 mandates a minimum penalty of \$4,000 per violation, or three times the amount of
2 actual damage.

3 **The California Medical Practices Act**
4 **(The Corporate Practice of Medicine Doctrine)**

5 5. The California Medical Practices Act states that corporations and other
6 artificial entities, such as health plans, “shall have no professional rights, privileges or
7 powers.” This policy is broadly applied to prevent unlicensed persons and entities
8 from interfering with or influencing a physician’s independent professional judgment.
9 Examples of some types of behaviors and subtle controls that the corporate practice
10 doctrine is intended to prevent include:

- 11 a) Determining what diagnostic tests are appropriate for a particular
12 condition.
- 13 b) Determining the need for referrals to, or consultation with, another
14 physician/specialist.
- 15 c) Responsibility for the ultimate overall care of the patient, including
16 treatment options available to the patient.
- 17 d) Operating a business that offers patient evaluation, diagnosis, care
18 and/or treatment.
- 19 e) Influencing decisions regarding coding and billing procedures for
20 patient care services.

21 6. Health Maintenance Organizations (“HMOs”), such as the plan at issue in
22 this case, fall within the scope of the Medical Practices Act. The prohibition of the
23 corporate practice of medicine is codified at California Business & Professions Code
24 sections 2400 and 2052.

25 **The Federal Mental Health Parity Act**

26 7. The Federal Mental Health Parity and Addiction Equity Act
27 (“MHPAEA”) requires health care plans issued by employers with more than 50
28 employees that choose to provide mental health benefits to cover them, as written and

1 applied, in parity with medical/surgical benefits. Separate cumulative financial
2 requirements (e.g., annual or lifetime dollar limits), or “nonquantitative” limitations in
3 mental health treatment (e.g., caps on number of visits or days of treatment), are not
4 permitted under the Act. Plans, such as Plaintiff’s, that classify care in skilled nursing
5 facilities or rehabilitation hospitals as inpatient benefits must likewise treat any
6 covered care in residential treatment facilities for mental health. Final Rules Under the
7 Paul Wellstone and Pete Dominici Mental Health Parity and Addiction Equity Act of
8 2008 (“Final Rules”), p. 68247.

9 GENERAL ALLEGATIONS

10 8. This action is brought under 29 U.S.C. §§ 1132(a), (e), (f) and (g) of the
11 Employee Retirement Income Security Act of 1974 (hereinafter “ERISA”), as it
12 involves claims for employee benefits under employee benefit health plans regulated
13 and governed under ERISA. Jurisdiction is predicated under these code sections as
14 well as 28 U.S.C. § 1331 as this action involves a federal question.

15 9. This action is brought for the purpose of obtaining benefits under the
16 terms of employee benefit health plans, enforcing Plaintiff’s rights under the terms of
17 such plans, clarifying Plaintiff’s rights to future benefits under such plans, and
18 obtaining injunctive and declaratory relief regarding the administration of such plans.
19 Plaintiff seeks relief, including but not limited to: payment of benefits, declaratory and
20 injunctive relief clarifying how claims should be administered, prejudgment and post-
21 judgment interest, and attorneys’ fees and costs.

22 10. This action seeks to represent the named plaintiff and all individuals who
23 were covered under group health plans underwritten and/or administered in the State of
24 California by Kaiser. The proposed class only includes persons who were covered
25 under plans regulated by ERISA.

26 11. Plaintiff Ian Matthew Moura was at all times relevant a resident of
27 Sunnyvale, California. On February 19, 2016, Plaintiff legally changed his name and
28 gender from Matthea McCracken Moura (female) to Ian Matthew Moura (male).

1 Plaintiffs, including Mr. Moura, were at all times covered beneficiaries under
2 employee benefit health plans underwritten and/or administered by Kaiser in the State
3 of California and regulated by ERISA.

4 12. Defendant Kaiser is, and at all relevant times was, a corporation duly
5 organized and existing under and by virtue of the laws of the State of California and
6 authorized to transact business in the State of California, with its headquarters in
7 Oakland, California. Kaiser is not a licensed physician, and it is not authorized to
8 practice medicine in the State of California.

9 13. The claims of the named plaintiff in this action were specifically
10 administered in this judicial district. Thus, venue is proper in this judicial district
11 pursuant to 29 U.S.C. § 1132(e)(2) (special venue rules applicable to ERISA actions).

12 **PRELIMINARY FACTUAL ALLEGATIONS**

13 14. At all times relevant, Plaintiff Ian Moura and the members of the
14 proposed plaintiff class, as defined below (the “Plaintiff Class”), were covered by
15 health plans administered and/or underwritten by Kaiser which provided benefits for
16 medically necessary treatment of severe mental illnesses.

17 15. Plaintiff and the members of the Plaintiff Class have (a) paid all premiums
18 they were required to pay under said health plans, (b) performed all obligations under
19 said plans on their part to be performed, and (c) complied with all requirements under
20 said plans, including appeal and/or grievance procedures that are deemed mandatory,
21 as well as provided all proper documentation regarding their claims. Plaintiff and the
22 members of the Plaintiff Class have been diagnosed with the severe mental illnesses of
23 anorexia nervosa and/or bulimia nervosa.

24 **Plaintiff’s ERISA Plan**

25 16. At all times relevant, Plaintiff Ian Moura was covered under a Kaiser
26 Permanente Deductible HMO Plan (the “Plan”) issued to Nicholas Moura’s employer,
27 Fujitsu Technology and Business of America, Inc.
28

1 17. The Plan states that “A Service is Medically Necessary if it is medically
2 appropriate and required to prevent, diagnose, or treat your condition or clinical
3 symptoms in accord with generally accepted professional standards of practice that are
4 consistent with a standard of care in the medical community.”

5 18. The Plan covers inpatient psychiatric hospitalization and intensive
6 psychiatric treatment programs.

7 19. The Plan also states the following:

8 Getting a Referral

9 Referrals to Plan Providers

10 A Plan Physician must refer you before you can receive care from specialists,
11 such as specialists in surgery, orthopedists, cardiology, oncology, urology,
12 dermatology, and physical, occupational, and speech therapies. . . . However,
13 you do not need a referral or prior authorization to receive most care from any of
14 the following Plan Providers:

- 15 • Your personal Plan Physician
- 16 • Generals in internal medicine, pediatrics, and family practice
- 17 • Specialists in optometry, psychiatry, chemical dependency, and
18 obstetrics/gynecology.

19 Although a referral or prior authorization is not required for most care from
20 these providers, a referral may be required in the following situations:

- 21 • The provider may have to get prior authorization for certain Services in
22 accord with "Medical Group authorization procedure for certain referrals"
23 in this "Getting a Referral" section.

24 The provider may have to refer you to a specialist who has a clinical
25 background related to your illness or condition.

1 **Medical Group authorization procedure for certain referrals**

2 The following are examples of Services that require prior authorization by the Medical
3 Group for the Services to be covered ("prior authorization" means that the Medical
4 Group must approve the Services in advance):

- 5 • Durable medical equipment
- 6 • Ostomy and urological supplies
- 7 • Services not available from Plan Providers
- 8 • Transplants

9 Decisions regarding requests for authorization will be made only by licensed
10 physicians or other appropriately licensed medical professionals.

11 20. Defendant's health plans do not identify Residential Treatment for eating
12 disorders as a service that requires prior authorization by the Medical Group. Nor do
13 Defendant's health plans disclose that the patient's Plan Physician is not permitted to
14 refer or authorize Residential Treatment for eating disorders. As a result, Kaiser
15 members who suffer from anorexia nervosa or bulimia nervosa are not advised, under
16 the terms of their health plans, that they must obtain this (undisclosed) additional level
17 of approval prior to receiving Residential Treatment Center care. Similarly, patients
18 are not advised of the standards used by the Kaiser Medical Group for authorizing
19 Residential Treatment Center services.

20 **Mr. Moura's Eating Disorder and Requests for Treatment**

21 21. Mr. Moura is a 29 year old man who suffered from anorexia nervosa.

22 22. Mr. Moura was an anxious child. In fifth grade he changed schools and
23 had a hard time adjusting. He did not fit in with the other kids at his new school, many
24 of whom had known each other since kindergarten, and he struggled to make friends.
25 When he started middle school, he only became more overwhelmed, not just with
26 social issues, but also with logistical details like changing classes multiple times a day
27 and having to keep track of different requirements from different teachers. To cope, he
28 walked a lot after school to try to clear the sense of buzzing inside his head.

1 23. In fifth grade, Mr. Moura's class had comprehensive sex education for the
2 first time. He felt very awkward in the class because he had a profound sense that
3 female puberty was not something that was supposed to happen to him. He tried to
4 explain to a few adults in his life that he was a boy, not a girl, but he had a hard time
5 conveying his feelings. He found the idea of female secondary sex characteristics
6 profoundly distressing, so when a reading for sex education mentioned that female
7 puberty involved a relative increase in body fat to prepare for the onset of
8 menstruation, he decided that in order to prevent this outcome, he just would not gain
9 any weight.

10 24. Mr. Moura was a picky eater as a kid; there were a lot of foods he did not
11 like because of the texture or the taste or smell, and he was not keen to try new things.
12 He also did not have much of a sense of hunger, and if he was really wrapped up in
13 something, like a book or a project, it was not unusual for him to forget to eat. Since
14 he played sports and walked a lot, his goal of "not gaining weight" was not especially
15 difficult. He did not think he was fat and was not concerned about whether or not
16 other people thought he was, but he was deeply concerned about retaining the ability to
17 be seen as a boy.

18 25. For a number of years, Mr. Moura had a baseline level of disordered
19 eating. He used hunger and activity to deal with things in his life that he could not
20 otherwise control. He could not change his anatomical sex, but he could change his
21 physical shape to create a more androgynous appearance.

22 26. Mr. Moura managed to stay relatively stable by staying close to home for
23 college (and moving back home for a while after a rough start in the dorms for his first
24 year). In the spring of 2010, Mr. Moura began seeing Dr. Evelyn Hazlett at the Kaiser
25 Fremont location for medication management and periodic assessment.

26 27. From 2011 through 2013, Mr. Moura attended graduate school in Santa
27 Cruz and saw a non-Kaiser therapist who specialized in eating disorders.
28

1 28. By the end of 2013, Mr. Moura had lost a considerable amount of weight
2 and was not eating solid foods. He was surviving on liquid supplements providing
3 200-500 calories per day. He was losing over 5 pounds per month. His therapist
4 stated that Mr. Moura needed to be in an inpatient treatment program and that she
5 could not continue to treat Mr. Moura as his condition had become too severe.

6 29. On January 13, 2014, Mr. Moura saw his primary care physician, Dr.
7 Joyce Ann Vilorio, at Kaiser Santa Clara, Department of Internal Medicine. Multiple
8 lab tests were performed to determine any medical consequences of his lack of
9 adequate nutrition.

10 30. On February 10, 2014, Mr. Moura saw Dr. Hazlett, who recommended
11 psychiatric hospitalization. However, Dr. Hazlett was unable to authorize
12 hospitalization.

13 31. On February 20, 2014, Mr. Moura returned to see Dr. Vilorio. Again,
14 hospitalization was not approved. Mr. Moura was referred for assessment to Kaiser in
15 Campbell.

16 32. Mr. Moura waited until March 14, 2014 for an appointment with Dr.
17 Melody Baumgardner, an eating disorder specialist at Kaiser in Campbell, for a
18 diagnostic evaluation to determine a course of treatment.

19 33. On March 20, 2014, Mr. Moura went to an intake appointment at the
20 Eating Disorder Intake Outpatient Program at Kaiser Redwood City. He was
21 evaluated by a therapist, dietician and nurse practitioner, who determined that he was
22 not medically stable and sent him to the emergency room. He was immediately
23 hospitalized. This was over 5 weeks after his Kaiser psychiatrist first recommended
24 hospitalization.

25 34. Mr. Moura remained in the hospital at Kaiser Redwood City from March
26 20, 2014 through April 4, 2014 for health complications resulting from his eating
27 disorder. By that time his condition had become so severe a feeding tube was
28 required due to his inability to eat.

1 35. Upon his discharge from the hospital at Kaiser Redwood City, Mr.
2 Moura was referred to Herrick Hospital (Alta Bates/Summit) in Berkeley. He was
3 admitted on April 7, 2014 when a bed became available. He remained hospitalized
4 until April 26, 2014.

5 36. The usual course of treatment for patients with eating disorders after a
6 hospitalization is to step down to residential treatment. However, Kaiser did not send
7 Mr. Moura to a residential treatment program after he was hospitalized at Herrick
8 Hospital. Instead, on April 28, 2014, Mr. Moura was admitted to Herrick's partial
9 hospitalization program (PHP), which is a day treatment program, for eating
10 disorders. He was discharged on May 9, 2014 and referred to Kaiser Redwood City's
11 Eating Disorder Intensive Outpatient Program.

12 37. On May 12, 2014, Mr. Moura underwent an intake assessment at the
13 Redwood City Eating Disorder Intensive Outpatient Program. He was admitted to
14 the program on May 13, 2014. The program met three (3) times per week.

15 38. On May 20, 2014, Mr. Moura was told to leave the Redwood City
16 Eating Disorder Intensive Outpatient Program because he was unable to finish his
17 meals within the time allotted and otherwise failed to meet the program requirements.
18 Rather than recognizing that Mr. Moura was struggling with symptoms of his eating
19 disorder, the staff proclaimed that he "didn't want to get better."

20 39. Mr. Moura was discharged from the Redwood City program with no
21 discharge plan, no case manager and no therapist. He immediately began to lose
22 weight.

23 40. After multiple calls, Mr. Moura was able to find limited resources
24 through Kaiser Santa Clara. On June 16, 2014, Mr. Moura saw Smitha Rau, Psy.D, at
25 Kaiser Santa Clara Psychiatry Department, who referred him to a dietician and an
26 MD for outpatient treatment.

27 41. On June 20, 2014, Mr. Moura saw Dr. Vilorio for plantar fasciitis,
28 caused by excessive exercise, a symptom of his eating disorder.

1 42. On June 27, 2014, Mr. Moura was first able to see Dr. Jan Kwong, a
2 Kaiser doctor who specializes in eating disorder. Dr. Kwong ran multiple lab tests
3 and an EKG.

4 43. Mr. Moura's first follow-up appoint with Dr. Rau was nearly one month
5 after his initial appointment, on July 10, 2014. He had continued to lose weight.

6 44. On July 15, 2014, Mr. Moura saw Dr. Hazlett. Dr. Hazlett was
7 extremely concerned about his medical stability. It had been two months of weight
8 loss and restriction since his discharge from the Herrick PHP program, with limited
9 follow-up treatment from Kaiser. Dr. Hazlett sent Mr. Moura to the emergency room
10 to see if he was stable enough for psychiatric hospitalization. Dr. Hazlett stated that
11 Kaiser protocol did not allow her to order hospitalization.

12 45. The emergency department checked Mr. Moura's electrolytes and sent
13 him home with no referrals or follow-up care.

14 46. On July 21, 2014, after further weight loss and inability to maintain an
15 adequate diet, Mr. Moura sought readmission to Herrick Hospital. Dr. Hazlett
16 advised Mr. Moura to go to the emergency room and tell them that he had an eating
17 disorder and needed psychiatric hospitalization. Dr. Hazlett stated that this would be
18 the best way to get a referral to Herrick Hospital.

19 47. The attending mental health worker at the Kaiser emergency room did
20 not know how to get a patient approved for hospitalization at Herrick but made
21 several phone calls to try to find out. He was told that there was a weekly conference
22 on Thursdays to make such decisions. Mr. Moura was told that he would hear from
23 Kaiser after the next conference. He was discharged with no referral or follow-up.
24 No one called him after the Thursday conference.

25 48. On July 28, 2014, Mr. Moura had his first meeting with Shannon Jordan,
26 RD, the dietician in the Kaiser Santa Clara eating disorder program to whom he had
27 been referred by Dr. Rau on June 16, 2014. Ms. Jordan told Mr. Moura that she was
28

1 unable to assist with meal planning for a patient whose eating disorder was as
2 advanced as his. Mr. Moura was eating 50-100 calories per day at the time.

3 49. Mr. Moura saw Dr. Rau again on July 31, 2014. Unable to refer Mr.
4 Moura for hospitalization, Dr. Rau referred Mr. Moura to the Eating Disorder
5 Intensive Outpatient Program at Kaiser Walnut Creek.

6 50. Mr. Moura had an intake appointment at Kaiser Walnut Creek with Dr.
7 Rachel Fields, Psy.D on August 5, 2014. He was admitted to the program. However,
8 the first three days he attended the program, he was not able to finish meals within
9 the allotted time, was told he could not stay and was sent home. The staff determined
10 that Mr. Moura needed a higher level of care and that the matter was so urgent that
11 they did not wait for the regular Thursday meeting to arrange admittance to Herrick.

12 51. On August 13, 2014, nearly one month after Dr. Hazlett first sought to
13 hospitalize him, Mr. Moura was admitted to Herrick Hospital. He remained
14 hospitalized for over a month, until September 21, 2014.

15 52. On September 22, 2014, Mr. Moura was admitted to Center for
16 Discovery in Fremont, a residential treatment facility for eating disorders. Mr. Moura
17 left five days later.

18 53. Mr. Moura continued to lose weight, eating only a few hundred calories
19 per day. Unable to get adequate treatment from Kaiser, he sought help through
20 Stanford University's Eating Disorder Program. He was given the name of an
21 outpatient therapist, who he saw on November 5, 2014 and November 10, 2014. The
22 therapist said that Mr. Moura's condition was too severe for outpatient treatment, and
23 that residential treatment was the appropriate level of care. The therapist gave Mr.
24 Moura a list of residential treatment centers that she recommended. She said that she
25 would not recommend Center for Discovery.

26 54. On November 18, 2014, Mr. Moura saw Dr. Hazlett, who referred him to
27 Charlene Laffaye, PhD., an eating disorder specialist at Kaiser Fremont. Mr. Moura
28 saw Dr. Laffaye on November 26, 2014 and December 2, 2014. Dr. Laffaye then

1 referred Mr. Moura back to Kaiser Santa Clara, even though he had not received
2 adequate treatment at that facility.

3 55. Mr. Moura was then contacted by Kaiser Santa Clara to arrange an
4 appointment with Dr. Rau, but was advised that he could not get individual therapy
5 sessions more often than every 6-8 weeks. Mr. Moura saw Dr. Rau on December 9,
6 2014, who referred him to a weekly Eating Disorder support group in Santa Clara, but
7 only with the stipulation that he would not lose any more weight before starting the
8 group in January 2015. Mr. Moura was not given any support or referrals to maintain
9 his weight for the month preceding the support group.

10 56. Mr. Moura saw Dr. Rau again on January 8, 2015 who confirmed that a
11 residential treatment center was the appropriate level of care for Mr. Moura. Dr. Rau
12 agreed that, by his next appointment on February 9, 2015, she would solidify a plan
13 for him to start residential treatment and know how he would get there, working on
14 her own without Kaiser. Dr. Rau provided the names of residential treatment
15 facilities that she felt were good programs and/or where she had patients who had
16 attended with good results.

17 57. By January 8, 2015, Mr. Moura was physically weak and was suffering
18 from reduced cognitive functioning, memory problems, and an inability to
19 concentrate. He attended the outpatient Eating Disorder Group but was the only
20 patient with anorexia. Most of the patients were morbidly obese and the primary
21 focus of the group discussion was how to lose weight. Mr. Moura discussed his
22 experience in the group with Dr. Rau, and they decided he should not continue to
23 attend.

24 58. On February 9, 2015, Mr. Moura saw Dr. Rau and they discussed his
25 decision to seek admission to Monte Nido Eating Disorder Treatment Center. Dr.
26 Rau agreed that this was the appropriate treatment plan given the severity of Mr.
27 Moura's eating disorder. However, Dr. Rau said that she could not give Mr. Moura a
28 referral for residential treatment.

1 59. On the same day, Dr. Viloría conducted a physical and ordered labs
2 required for admission to Monte Nido.

3 60. On February 23, 2015, Mr. Moura went to the emergency room in Santa
4 Clara with chest pains, falling down, numbness in his fingers and loss of fine motor
5 control. He was given electrolytes and discharged with instructions to see his regular
6 doctor.

7 61. On March 4, 2015, Mr. Moura began treatment at Monte Nido. He
8 discharged on April 26, 2015. He paid approximately \$75,000 for this treatment.

9 **CLASS ACTION ALLEGATIONS**

10 62. Plaintiff brings this action on behalf of himself and all others similarly
11 situated as a class action pursuant to Federal Rule of Civil Procedure 23. This action
12 has been brought and may properly be maintained as a class action under the Federal
13 Rules of Civil Procedure because there is a well-defined community of interest in the
14 litigation and the proposed class is ascertainable.

15 63. Plaintiff seeks to represent a class composed of and defined as follows:
16 All persons who were covered under an ERISA group health
17 plan underwritten and/or administered by Kaiser which was
18 issued, amended, or renewed in the State of California on or after
19 July 1, 2000, who were diagnosed with anorexia nervosa or
20 bulimia nervosa, (collectively “eating disorders”) from inception
21 of the applicable limitations period, including periods of tolling
22 and estoppel, until the final termination of this action (“class
23 period”).

24 64. The proposed class is limited to participants and beneficiaries of plans
25 issued in California. The proposed classes include only plans governed by ERISA.
26 The proposed classes do not include Subscribers and Members of individual PPO plans
27 and other non-ERISA plans.
28

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1 65. Plaintiff reserves his right to modify the definition of the proposed classes
2 based on information that he or his counsel learn through discovery.

3 66. The Class and Subclass meet all of the requirements of Federal Rule of
4 Civil Procedure 23, as follows.

5 **Numerosity**

6 67. The potential members of the proposed class as defined are so numerous
7 that joinder of all the members of the proposed class is impracticable. While the
8 precise number of proposed class members has not been determined at this time,
9 Plaintiffs are informed and believe that there is a substantial number of individuals
10 covered under Kaiser plans who have been similarly affected. Numerosity of class
11 members will be ascertained and confirmed by discovery. The number and identity of
12 the members of the class are readily determinable from the records of Defendant.

13 **Commonality**

14 68. There are questions of law and fact common to the proposed class that
15 predominate over any questions affecting only the individual class members. These
16 common questions of law and fact include, without limitation:

- 17 a) Whether Kaiser breached the terms of its benefit plans and ERISA
18 by failing to pay plan benefits to Plaintiff and the Plaintiff Class
19 members;
- 20 b) Whether Kaiser violated ERISA by violating the California Mental
21 Health Parity Act;
- 22 c) Whether Kaiser violated ERISA by violating MHPAEA;
- 23 d) Whether Kaiser violated ERISA by violating the Unruh Civil
24 Rights Act; and
- 25 e) Whether Kaiser violated ERISA by violating the Corporate Practice
26 of Medicine Doctrine.
- 27
28

1 **Typicality**

2 69. The claims of the named Plaintiff are typical of the claims of the proposed
3 class. Plaintiff and all members of the proposed class sustained the same or similar
4 injuries arising out of and caused by Kaiser's common course of conduct in violation
5 of laws and regulations that have the force and effect of law. Plaintiff's claims are
6 thereby representative of, and co-extensive with, the claims of the Plaintiff Class
7 members.

8 **Adequacy of Representation**

9 70. Plaintiff will fairly and adequately represent and protect the interests of
10 the members of the proposed class. There are no conflicts between the interests of the
11 Plaintiff and the other members of the proposed class. Counsel representing Plaintiff
12 is competent and experienced in litigating class actions.

13 **Superiority of Class Action**

14 71. A class action is superior to other available means for the fair and
15 efficient adjudication of this controversy. Individual joinder of all proposed class
16 members is not practicable, and questions of law and fact common to the proposed
17 class predominate over any questions affecting only individual members of the
18 proposed class. Each member of the proposed class has been damaged and is entitled
19 to recovery by reason of Kaiser's conduct. They have little incentive, if any, to
20 prosecute their claims independently, and given their severe mental illness, would be
21 unlikely to find counsel to represent them. The only practical mechanism is for them
22 to vindicate their rights in this instance through class treatment of their claims, which
23 is convenient, economical, consolidates all claims in a single suit, and serves to avoid a
24 multiplicity of suits.

25 72. Kaiser has acted, or refused to act, on grounds that apply generally to the
26 class, so that final injunctive, statutory penalties, damages and/or declaratory relief is
27 appropriate respecting the class as a whole. Class action treatment will allow those
28 similarly situated persons to litigate their claims in the manner that is most efficient

1 and economical for the parties and the judicial system. Plaintiff is unaware of any
2 difficulties that are likely to be encountered in the management of this action that
3 would preclude its maintenance as a class action.

4 **FIRST CLAIM FOR RELIEF**

5 **(29 U.S.C. § 1132(a) (1) (B), (g))**

6 73. Plaintiffs incorporate by reference the foregoing paragraphs as though
7 fully set forth herein.

8 74. At all times relevant, Plaintiffs were beneficiaries of employee health
9 benefit plans administered and/or underwritten by Kaiser and governed by ERISA.

10 75. Under the terms and conditions of the plans and applicable law, Kaiser
11 was required to pay for all medically necessary treatment of Plaintiffs for anorexia
12 nervosa or bulimia nervosa. This includes medically necessary residential treatment.

13 76. While covered under the plan, Plaintiffs became entitled to benefits under
14 the terms and conditions of the plans. Specifically, Plaintiffs suffered from anorexia
15 nervosa or bulimia nervosa for which their treating providers determined treatment,
16 including but not limited to residential treatment, was medically necessary.

17 77. Kaiser, through its unlawful Plan language and/or its policy of not
18 allowing Plan Physicians to authorize medically necessary residential treatment,
19 delayed, limited or denied Plaintiffs' claims for treatment.

20 78. Plaintiffs performed all duties and obligations on their part to be
21 performed under the plans and/or were excused from compliance under the law.
22 Specifically, Plaintiffs were not required to ask for a referral or pre-authorization for
23 psychiatric treatment. Where, as here, ERISA plans violate the law, beneficiaries are
24 not required to exhaust administrative procedures.

25 79. Kaiser's plans and its decision(s) regarding Plaintiffs' claims violate
26 ERISA, its implementing regulations, and the Federal and California Mental Health
27 Parity Acts. Defendant further violated the Unruh Civil Rights Act and the Medical
28 Practices Act.

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1 80. Kaiser's wrongful conduct has created uncertainty where none should
2 exist. Therefore, Plaintiffs are entitled to enforce their rights under the terms of the
3 plans at issue and to clarify their rights to future benefits under such plans.

4 81. As a proximate result of Kaiser's wrongful conduct, Plaintiffs seek
5 payment of plan benefits pursuant to 29 U.S.C. § 1132(a)(1)(B) in a total sum to be
6 shown at the time of trial, including pre-judgment and post-judgment interest as
7 permitted by law.

8 82. Plaintiffs further seek payment of attorneys' costs and fees, which
9 Plaintiffs are entitled to have paid by Kaiser. 29 U.S.C. § 1132(g) (1).

10 **SECOND CLAIM FOR RELIEF**

11 **(29 U.S.C. § 1132(a) (1) (3), (g))**

12 83. Plaintiffs incorporate by reference the foregoing paragraphs as though
13 fully set forth herein.

14 84. As a direct and proximate result of the failure of Defendant to comply
15 with the plan terms with regard to the request or benefits, Plaintiffs are entitled to and
16 hereby request that this Court grant the following relief pursuant to 29 U.S.C.
17 § 1132(a)(1)(B) and (a)(3):

- 18 a) A declaration that Kaiser's plans violate ERISA by violating the
19 Federal and California Mental Health Parity Act, the Unruh Civil
20 Rights Act, and the California Medical Practices Act;
21 b) A declaration that Kaiser's policy of not allowing Plan Physicians
22 to refer patients with anorexia nervosa or bulimia nervosa to
23 residential treatment violates ERISA by violating the Federal and
24 California Mental Health Parity Act, the Unruh Civil Rights Act,
25 and the California Medical Practices Act;
26 c) A declaration that Kaiser's policy of not allowing Plan Physicians
27 to authorize residential treatment for patients with anorexia nervosa
28 or bulimia nervosa violates ERISA by violating the Federal and

1 California Mental Health Parity Act, the Unruh Civil Rights Act,
2 and the California Medical Practices Act;

3 d) Reformation of the plans to comply with ERISA and the Federal
4 and California Mental Health Parity Acts;

5 e) A mandatory injunction requiring Kaiser to pay benefits for
6 medically necessary treatment of anorexia nervosa or bulimia
7 nervosa for beneficiaries covered by California benefit plans; and

8 f) Disgorgement of any profits Kaiser may have realized by virtue of
9 its unlawful conduct.

10 85. Plaintiffs further seek payment of attorneys' costs and fees, which
11 Plaintiffs are entitled to have paid by Kaiser. 29 U.S.C. § 1132(g) (1).

12 **REQUEST FOR RELIEF**

13 Wherefore, Plaintiffs pray for judgment against the Defendant, and that the
14 judgment grant the following relief:

15 1. Certification of this case and these claims for class treatment, with the
16 class defined as set forth in this complaint;

17 2. Designating Plaintiff Ian Moura as representative for the class;

18 3. Designating Lisa Kantor, David Oswald and Kathryn Trepinski as
19 counsel for the class;

20 4. Payment of benefits due to Plaintiff and other members of the class
21 under the appropriate health care plan;

22 5. For an order declaring that Kaiser's plans, which are used to deny
23 medically necessary residential treatment for beneficiaries suffering from anorexia
24 nervosa and bulimia nervosa and covered by California benefit plans, violate the law;

25 6. A declaration that Kaiser's policy of not allowing Plan Physicians to
26 refer patients with anorexia nervosa and bulimia nervosa to residential treatment
27 violates ERISA by violating the Federal and California Mental Health Parity Act, the
28 Unruh Civil Rights Act, and the California Medical Practices Act;

1 7. A declaration that Kaiser’s policy of not allowing Plan Physicians to
2 authorize residential treatment for patients with anorexia nervosa and bulimia nervosa
3 violates ERISA by violating the Federal and California Mental Health Parity Act, the
4 Unruh Civil Rights Act, and the California Medical Practices Act;

5 7. An injunction requiring Kaiser to pay benefits for treatment of anorexia
6 nervosa and bulimia nervosa covered by California benefit plans when such treatment
7 is medically necessary notwithstanding any plan language that purports to exclude
8 such treatment;

9 8. Disgorgement of profits;

10 9. Unruh Act payments and/or penalties;

11 10. Payment of pre-judgment and post-judgment interest as allowed for
12 under ERISA;

13 11. Pursuant to 29 U.S.C. § 1132(g), payment of all costs and reasonable
14 attorneys’ fees incurred in pursuing this action; and

15 12. For such other and further relief as the Court deems just and proper.

16 Dated: May 1, 2017

KANTOR & KANTOR, LLP

17
18 By: /s/ Lisa S. Kantor

Lisa S. Kantor,
Attorneys for Plaintiff,
Ian Moura, on behalf of himself and all
others similarly situated

19
20
21 Dated: May 1, 2017

**LAW OFFICES OF KATHRYN M.
TREPINSKI**

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23
24 By: /s/ Kathryn M. Trepinski

Kathryn M. Trepinski
Attorneys for Plaintiff,
Ian Moura, on behalf of himself and all
others similarly situated

25
26
27 *Filer’s Attestation: Pursuant to Civil Local Rule 5-1(i)(3) regarding*
28 *signatures, Lisa S. Kantor hereby attests that concurrence in the filing of this*
document and its content has been obtained by all signatories listed.

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