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8 **THE UNITED STATES DISTRICT COURT FOR THE**
9 **CENTRAL DISTRICT OF CALIFORNIA**

RSWL (EX)

CV 10 4182

Case No.

**COMPLAINT FOR INJUNCTIVE
RELIEF, DECLARATORY RELIEF AND
DAMAGES; DEMAND FOR JURY
TRIAL**

11 SIERRA MEDICAL SERVICES
12 ALLIANCE, CARE FLIGHT, RIGGS
13 AMBULANCE SERVICE, INC.,
14 SCHAEFER AMBULANCE SERVICE,
15 INC., AMERICAN AMBULANCE OF
16 VISALIA, DESERT AMBULANCE
17 SERVICE, SAN LUIS AMBULANCE
18 SERVICE, INC., FIRST RESPONDER
19 EMERGENCY MEDICAL SERVICES-
20 SACRAMENTO, INC., FIRST
21 RESPONDER EMERGENCY MEDICAL
22 SERVICES, INC., IMPERIAL
23 AMBULANCE SERVICES, INC., EXETER
24 DISTRICT AMBULANCE, SIERRA
25 LIFESTAR, INC., d.b.a, LIFESTAR
26 AMBULANCE, DEL NORTE
27 AMBULANCE, INC., PINER'S
28 AMBULANCE, INC., AMERICAN
LEGION POST 108 AMBULANCE
SERVICE, PROGRESSIVE AMBULANCE,
INC., d.b.a., LIBERTY AMBULANCE,
HALL AMBULANCE SERVICE, INC.,
CITY AMBULANCE OF EUREKA, INC.,
PATTERSON DISTRICT AMBULANCE,
K.W.P.H. ENTERPRISES, d.b.a.,
AMERICAN AMBULANCE,
COMMUNITY AMBULANCE SERVICES,
INC., SIERRA AMBULANCE SERVICE,
INC., CARE AMBULANCE SERVICE,
INC., DELANO AMBULANCE SERVICE,
INC., KERN EMERGENCY MEDICAL
TRANSPORTATION CORPORATION,
d.b.a., KERN AMBULANCE, MANTECA
DISTRICT VOLUNTEER AMBULANCE
SERVICE, dba MANTECA DISTRICT

1 AMBULANCE SERVICE,)
 2)
 3 Plaintiffs,)
 4)
 5 vs.)
 6)
 7 DAVID MAXWELL-JOLLY, Director of the)
 Department of Health Care Services, State of)
 8 California, CALIFORNIA DEPARTMENT)
 OF HEALTH CARE SERVICES,)
 9)
 10 Defendants.)

JURISDICTION

11 1. This action involves federal questions arising under the laws and
 12 constitution of the United States, including, but not limited to, 42 U.S.C. 1395, et seq.,
 13 42 U.S.C. 1396 et seq., 42 U.S.C. 1983 and the Fifth and Fourteenth Amendments to
 14 the United States Constitution. This Court has subject matter jurisdiction over this
 15 action pursuant to 28 U.S.C. §§ 1331, 1343, 2201 and 2202. In addition, this Court
 16 may exercise pendent jurisdiction over any state law claims that are present in this
 17 matter.

18 2. Venue is proper in the Central District because a substantial part of the
 19 events or omissions giving rise to the claim occurred in this District. In addition, all
 20 Defendants reside in this State and Defendants have agreed that an action against them
 21 may be commenced in any city in which the Attorney General of the state has an
 22 office. The Attorney General has an office in this District.

INTRODUCTION

25 3. Plaintiffs provide medical transportation services to over 20 million
 26 Californians in 31 of the State's 58 counties, covering more than half of California's
 27 population. Plaintiffs stand ready to assist these 20 million Californians in emergency
 28

1 situations seven days a week, 24 hours a day. Plaintiffs also provide non-emergency
2 ambulance services to those Californians who have a special need and who do not
3 have a reliable source of transportation to obtain essential treatment at regular
4 appointments. Plaintiffs provide approximately 96,000 medical transports of Medi-
5 Cal beneficiaries each year. Medi-Cal pays approximately 20% of the actual cost of
6 each of these transports, forcing Plaintiffs to subsidize the government's program with
7 tens of millions of dollars of their private funds each year.

8 4. Plaintiffs bring this action to enjoin Defendants from enforcing Section
9 51527 of the California Code of Regulations until Defendants set Medi-Cal
10 reimbursement rates for medical transportation services providers in compliance with
11 federal law.

12 5. Because California's policy is that medical transportation services will be
13 reimbursed "at the lesser of usual charges or the limits specified in the California code
14 of Regulations," and because Section 51527 was not promulgated in compliance with
15 federal law, or the State's certification that it would follow federal law when
16 promulgating and enforcing rate regulations, Plaintiffs also seek a permanent
17 injunction prohibiting Defendants from reimbursing Plaintiffs less than their "usual
18 charges" for the services they provide to Defendants' Medi-Cal beneficiaries until
19 Defendants comply with federal law and their own regulations.

20 6. Plaintiffs also seek declaratory and injunctive relief to enforce their
21 property rights, procedural and substantive due process rights and their rights to equal
22 protection guaranteed by the United States Constitution, and damages pursuant to 42
23 U.S.C. 1983 for these violations of Plaintiffs' Constitutional rights.

24 PARTIES

25
26 7. Plaintiff Sierra Medical Services Alliance ("SEMSA") is a 501c(3) non-
27 profit organization. SEMSA is the exclusive provider of ambulance services for
28 emergency (911) and non-emergency calls in Lassen County, California. SEMSA's

1 franchise provider agreement was awarded through a competitive bid process in 2005
2 and its contract is effective through 2015, plus any additional earned extensions.
3 SEMSA's service rates are set and regulated by the County of Lassen.

4 8. Plaintiff Care Flight is a division of Regional Emergency Medical
5 Services Authority, a 501c(3) non-profit organization affiliated with SEMSA. Care
6 Flight provides emergency medical helicopter services in northern California and
7 northern Nevada. Care Flight operates through provider agreements with regional
8 emergency medical services agencies, including Sierra Sacramento Valley EMSA.

9 9. Plaintiff Riggs Ambulance Service, Inc., is the exclusive provider of
10 ambulance services for emergency (911) and non-emergency calls in Merced County.
11 Riggs Ambulance Service's franchise provider agreement was awarded through a
12 competitive bid process in 2003 and its contract is effective through 2012. Riggs
13 Ambulance Service rates are set and regulated through the County of Merced.

14 10. Plaintiff Schaefer Ambulance Service Inc. serves six of the most
15 populous counties in southern California including Los Angeles, Orange, San Diego,
16 San Bernardino, Riverside, and Imperial. Schaefer Ambulance has emergency (911)
17 contracts in Los Angeles and Imperial Counties. Schaefer provides a significant
18 amount of non-emergency medical transportation in Orange, San Diego, San
19 Bernardino and Riverside counties. Schaefer is engaged in a number of pilot
20 programs including critical care programs in Los Angeles County and neonatal infant
21 transportation programs in Los Angeles, Riverside, and San Bernardino counties.
22 Schaefer serves approximately 15 million people living in approximately 13,600
23 square miles of service area.

24 11. Plaintiff C.H.L. EMS, Incorporated, dba American Ambulance of
25 Visalia, provides emergency (911) and non-emergency medical transportation services
26 in a shared exclusive operating area. C.H.L. operates pursuant to an agreement with
27 the County of Tulare that runs from March 1, 2009 to June 30, 2014.
28

1 12. Plaintiff Desert Ambulance Service, Inc., is designated as an exclusive
2 provider of emergency (911) and non-emergency medical transportation services
3 pursuant to an agreement with San Bernardino County. Desert Ambulance's service
4 area is designated as an exclusive non-competitive area pursuant to Health and Safety
5 Code section 1797.224.

6 13. Plaintiff San Luis Ambulance Service, Inc., is the exclusive provider of
7 ambulance services for emergency (911) and non-emergency calls in three of the four
8 designated ambulance zones in San Luis Obispo County pursuant to a franchise
9 provider agreement that is effective into 2013.

10 14. Plaintiff First Responder Emergency Medical Services-Sacramento, Inc.
11 is a non-exclusive provider of ambulance services for emergency and non-emergency
12 calls within the Sacramento, Placer and Yolo Counties.

13 15. Plaintiff First Responder Emergency Medical Services, Inc. operates as
14 an exclusive provider of emergency (911) and non-emergency ambulance services in
15 Butte County. Responder's service area is designated as an exclusive non-competitive
16 area pursuant to Health and Safety Code section 1797.224.

17 16. Plaintiff Imperial Ambulance, Inc. provides emergency (911) and non-
18 emergency ambulance services in Tulare County pursuant to a contract with Tulare
19 County that is effective through June 30, 2014. Within Tulare County, Imperial
20 Ambulance, Inc. responds primarily in the City of Porterville and the City of Lindsay.
21 When called upon, Imperial provides service to all other city and rural areas within
22 Tulare County.

23 17. Plaintiff Exeter District Ambulance operates as an exclusive provider of
24 emergency (911) and non-emergency ambulance services in the north eastern region
25 of Tulare County.

26 18. Plaintiff Sierra LifeStar, Inc., d.b.a. Lifestar Ambulance, operates as an
27 exclusive provider of emergency (911) and non-emergency ambulance services in
28 Tulare County.

1 19. Plaintiff Del Norte Ambulance, Inc. operates as an exclusive provider of
2 emergency (911) and non-emergency ambulance services in Del Norte County.

3 20. Plaintiff Napa Ambulance Service, Inc., dba Piner's Ambulance, operates
4 as an exclusive provider of emergency (911) and non-emergency ambulance services
5 in Tulare County. Napa's exclusive provider agreement was awarded through a
6 competitive bid process in 2001 and it is effective through 2011.

7 21. Plaintiff American Legion Post 108 Ambulance Service ("ALA") is a
8 501c (19) non-profit corporation. ALA is the exclusive provider of ambulance
9 services for emergency (911) and non-emergency calls in Amador County pursuant to
10 a franchise provider agreement that is effective through 2013. ALA has been the sole
11 ambulance provider in Amador County since 1929. ALA is also the exclusive
12 provider of ambulance services for emergency (911) and non-emergency calls in
13 Calaveras County pursuant to a franchise provider agreement that is effective through
14 2014.

15 22. Plaintiff Progressive Ambulance, Inc, dba Liberty Ambulance, is the
16 exclusive provider for emergency (911) and non-emergency ambulance services in
17 Kern County's Operational Area #7. Liberty's franchise provider agreement was
18 awarded pursuant to Health and Safety Code section 1797.224 and is effective until
19 2019.

20 23. Plaintiff Hall Ambulance Service, Inc. is the exclusive provider for
21 emergency (911) and non-emergency ambulance services in Kern County Ambulance
22 Service Operational Areas 2, 4, 5, 8, 9 and 11. Operating Area(s) 2,4,5,8 & 9 were
23 awarded pursuant to Health and Safety Code section 1797.224. Operational Area 11
24 was awarded to Hall in 1994 through a competitive bid process.

25 24. Plaintiff City Ambulance of Eureka, Inc provides emergency (911) and
26 non-emergency ambulances in the County of Humboldt.

27 25. Plaintiff Patterson District Ambulance is the exclusive provider of
28 ambulance services for emergency (911) and non-emergency calls within Zone #5 of

1 Stanislaus County. The Patterson District Ambulance franchise provider agreement
2 was established in 1992 by the County pursuant to California Health and Safety Code
3 1797.224 and remains in effect. A performance contract, required with the County, is
4 effective through 2012.

5 26. Plaintiff K.W.P.H. Enterprises, d.b.a. American Ambulance, is the
6 exclusive provider of ambulance services for emergency (911) and non-emergency
7 calls in the Fresno County Exclusive Operating Area and the County of Kings. The
8 provider agreements for these service areas were awarded through competitive bid
9 processes.

10 27. Plaintiff Community Ambulance Services, Inc. dba CARE Ambulance is
11 the exclusive provider of ambulance services for emergency (911) and non-emergency
12 calls in Kern County Operating Area #6. CARE's franchise provider agreement was
13 awarded pursuant to Health and Safety Code section 1797.224.

14 28. Plaintiff Sierra Ambulance Service, Inc., is a 501c(3) non-profit
15 organization. Sierra Ambulance is the exclusive provider of ambulance services for
16 emergency (911) and non-emergency calls in eastern Madera County. Sierra has been
17 the exclusive 911 ambulance provider in eastern Madera County since 1965. It
18 operates under a California Health and Safety Code 1797.224 exclusive agreement
19 with the Central California EMS Agency.

20 29. Plaintiff Care Ambulance Service, Inc. is the exclusive 911 Emergency
21 Ambulance provider for the Orange County, California cities of Anaheim, Buena
22 Park, Costa Mesa, Cypress, Fountain Valley, Fullerton, Garden Grove, La Palma, Los
23 Alamitos, Seal Beach, and Stanton, as well as Exclusive Operating Area number six
24 (6) in Los Angeles County, California, which is comprised of the cities of Artesia,
25 Bell, Bell Gardens, Bellflower, Cerritos, Commerce, Cudahy, Hawaiian Gardens, La
26 Mirada, Lakewood, Huntington Park, Maywood, Montebello, Norwalk, Paramount,
27 Pico Rivera, Santa Fe Springs, Signal Hill, Whittier, and the unincorporated areas of
28

1 Florence-Graham and East Los Angeles. All franchise agreements were awarded
2 thorough a competitive bid process.

3 30. Delano Ambulance Service, Inc. is the exclusive provider of ambulance
4 services for all emergency (911) and non-emergency calls in Kern County for the
5 Exclusive Operating Area #3. Delano has an ongoing franchise agreement with the
6 County of Kern.

7 31. Plaintiff Kern Emergency Medical Transportation Corporation, dba Kern
8 Ambulance, is the exclusive provider for emergency (911) and non-emergency
9 ambulance services in Kern County's Operational Area #1. Kern Ambulance's
10 provider agreement was awarded pursuant to California Health and Safety Code
11 1797.224 and the contract is effective until 2019.

12 32. Plaintiff Manteca District Volunteer Ambulance Service, dba Manteca
13 District Ambulance Service, is a 501c(3) non-profit corporation and is the exclusive
14 provider for emergency (911) and non-emergency ambulance services in the City of
15 Manteca and surrounding areas including parts of Tuolumne County.

16 33. Defendant California Department of Health Care Services
17 ("Department") is the designated single state agency charged with administering the
18 Medicaid program in the State of California pursuant to Title XIX, 42 U.S.C. 1396 et
19 seq., and California's State Plan Under Title XIX of the Social Security Act ("State
20 Plan.")

21 34. Defendant David Maxwell-Jolly is the duly appointed Director of the
22 Department of Health Care Services. Maxwell-Jolly and his predecessor Directors
23 were acting under color of state authority at all times mentioned herein. Maxwell-
24 Jolly is sued only in his official capacity as Director.

25
26 **MEDICAID AND STATE COUNTERPARTS**
27
28

1 35. Medicaid is a federal program that provides medical care to needy
2 individuals by giving states funds to use to administer medical assistance programs.
3 (42 U.S.C. 1396, et seq.)

4 36. Participation in the Medicaid program is voluntary. However, if a state
5 chooses to participate, it is obligated to comply with all applicable federal statutes and
6 regulations. Initially, a state must submit, and have approved, a state plan for
7 Medicaid assistance that complies with the federal Medicaid statutes and the
8 regulations adopted by the Secretary of the United States Department of Health and
9 Human Services. One of the Department's divisions, The Centers for Medicare and
10 Medicaid Services, is responsible for approving or rejecting a state's plan.

11 37. A state plan specifies how a state will operate its medical assistance
12 program in compliance with federal law and provides assurances that the state will
13 administer its program "in conformity with the specific requirements of title XIX, the
14 regulations in this Chapter IV, and other applicable official issuances of the
15 Department [of Health and Human Services]." (42 C.F.R. 430.10.) To be approved,
16 it must specify which groups of people are eligible, the types and ranges of services to
17 be provided, the policy and methods to be used to establish payment rates for medical
18 service providers such as Plaintiffs¹, and other components of the state's proposed
19 program that are required by federal law.

20 38. If a state plan is deemed to comply with federal law, and is approved,
21 The Centers for Medicare and Medicaid Services provide federal funds to the state for
22 the operation of the state's program as described in its state plan.

23 39. California has chosen to participate in the Medicaid program. Medi-Cal
24 is the State's Medicaid program that provides benefits to poor individuals who satisfy
25 certain eligibility requirements. (California Welfare and Institutions Code, Section
26 14000, et seq.; California Code of Regulations, Title 22, Section 50000, et seq.)
27
28

¹ 42 C.F.R. 447.201

40. California's State Plan states that, "[a]s a condition for receipt of Federal funds under title XIX of the Social Security Act, the Department of Health Services (Single State Agency) submits the following State plan for the medical assistance program, and hereby agrees to administer the program in accordance with the provisions of this State plan, the requirements of titles XI and XIX of the Act, and all applicable Federal regulations and other official issuances of the Department." (California State Plan, Plan Submittal Statement, page 1.) California's State Plan was approved by The Centers for Medicare and Medicaid Services and California receives

CALIFORNIA'S GUARANTEE
OF MEDICAL TRANSPORTATION SERVICES

41. 42 U.S.C., Section 1396a, et seq., and 42 C.F.R., Part 430 et seq., set forth the requirements a State Plan must satisfy in order to qualify for approval. Defendants certified that, "[t]he plan is in operation on a Statewide basis in accordance with all requirements of 42 CFR 431.50." (California State Plan, Section 1.3, page 8.)

42. Pursuant to federal requirements, a state plan must "[s]pecify that the Medicaid agency will ensure necessary transportation for recipients to and from providers" and "[d]escribe the methods that the agency will use to meet this requirement." (42 C.F.R. 431.53.)

43. In order to obtain approval of its State Plan and to obtain federal funds, California certified to the federal government that, "[u]nder California's Title XIX State Plan, transportation of eligible recipients to and from health care services is assured through a variety of methods . . . [including] the provision of medical transportation as a direct benefit of the Title XIX program . . . [consisting of] both emergency and nonemergency medical transportation." (California State Plan Under Title XIX, 3.1(c)(1) and Attachment 3.1-D.)

SETTING MEDI-CAL REIMBURSEMENT RATES FOR
MEDICAL TRANSPORTATION SERVICES

44. For all services provided under Medi-Cal as a Title XIX program, pursuant to federal statute, Defendants must “provide such methods and procedures . . . to assure that payments [to providers of services under the program] are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.” (42 U.S.C. 1396a(a)(30)(A); 42 C.F.R. 447.204.) The Ninth Circuit has ruled that this “requires the Department to consider the costs of providing services [when setting reimbursement rates].” (*Orthopedic Hosp. v. Belshe*, 103 F.3d 1491, 1500 (9th Cir. 1997).)

45. A state plan must “describe the policy and the methods to be used in setting payment rates for each type of service included in the State's Medicaid program.” (42 C.F.R. 447.201.) Medical transportation services are covered in Attachment 4.19-B, page 1, of the State Plan:

[t]he policy of the State Agency is that reimbursement for each of the other types of care or service listed in Section 1905(a)² of the Act that are included in the program under the plan will be at the lesser of usual charges or the limits specified in the California code of Regulations . . . [t]he methodology utilized by the State Agency in establishing payment rates will be as follows:

- (a) The development of an evidentiary base or rate study resulting in the determination of a proposed rate.

² Section 1905(a) is the former designation of 42 U.S.C. 1396d

(b) To the extent required by State or Federal law or regulations, the presentation of the proposed rate at public hearing to gather public input to the rate determination process.

(c) The determination of a payment rate based on an evidentiary base, including pertinent input from the public.

(d) The establishment of the payment rate through the State Agency's adoption of regulations specifying such rate in the CCR . . .

46. Accordingly, medical transportation services must be reimbursed at "the lesser of usual charges," or at a statutory rate that is determined by the methodology described above and that is based upon the actual cost of providing the service.

PUBLIC INPUT AND REGULATION ADOPTION PROCEDURES IN CALIFORNIA

47. Pursuant to the Administrative Procedure Act, California Government Code, Sections 11346, et seq., the Legislature has established basic minimum procedural requirements for the adoption, amendment or repeal of administrative regulations.

48. Pursuant to Government Code, Section 11346.4, there must be a public comment period on all proposed regulations, with advance notice of at least 45 days of the close of that comment period. Section 11346.5 of the Code establishes the requirements for the notice of proposed regulations, which must include, inter alia, a statement of the time, place and nature of proceedings for the adoption, amendment or repeal of the regulation, reference to the authority under which the regulation is promulgated, and an informative digest containing a concise and clear summary of

1 existing laws and regulations related directly to the proposed action and the effect of
2 the proposed action.

3 49. Pursuant to Government Code, Section 11349.3, the Office of
4 Administrative Law ("OAL") must review all regulations after they have been
5 subjected by the issuing agency to the notice and comment procedures, and make
6 determinations using the following criteria: Necessity, authority, clarity, consistency,
7 reference and non-duplication. The OAL may disapprove the regulations, in which
8 case it shall return them to the adopting agency with a written statement of
9 disapproval. If OAL approves the proposed regulations, then it shall forward them to
10 the Secretary for filing.

11 50. California law requires that, "[i]n order to increase public participation
12 and improve the quality of regulations, state agencies proposing to adopt regulations
13 shall, prior to publication of the notice required by Section 11346.5, involve parties
14 who would be subject to the proposed regulations in public discussions regarding
15 those proposed regulations, when the proposed regulations involve complex proposals
16 or a large number of proposals that cannot easily be reviewed during the comment
17 period" (California Government Code, Section 279.)

18
19 **IN VIOLATION OF FEDERAL LAW, DEFENDANTS HAVE SET PAYMENT**
20 **RATES THAT ARE NOT CONSISTENT WITH THE QUALITY OF CARE**
21 **REQUIRED BY CALIFORNIA LAW**

22 51. Pursuant to federal statute, Defendants must "provide such methods and
23 procedures . . . to assure that payments [to providers of services under the program]
24 are consistent with . . . [the] quality of care [provided to beneficiaries] . . ." (42
25 U.S.C. 1396a(a)(30)(A); 42 C.F.R. 447.204.)

26 52. In order to ensure an efficient and fully responsive emergency
27 transportation system for all Californians, local jurisdictions, pursuant to California
28

1 law, allocate market rights to specific ambulance companies via competitive bid or
2 assigned contract.³ (California Health and Safety Code, Section 1797.224.)

3 53. Every local jurisdiction in California requires that designated service
4 providers respond to every emergency call that is received, regardless of whether the
5 patient in need of care is covered by private insurance, Medi-Cal, any other benefit
6 provider or no benefit provider.

7 54. Every county is required to follow California Emergency Medical
8 Services Authority ("EMSA") guidelines in designating the required service levels for
9 emergency medical transportation services. Local Emergency Medical Services
10 Agencies (LEMSAs) submit plans evidencing their compliance with state EMSA
11 guidelines to the State of California, which must approve the plan.

12 55. Each jurisdiction mandates specific service level requirements. These
13 mandates include the requirement that the jurisdiction's service provider maintain an
14 "advanced life support" state of readiness and level of care for all emergency
15 transports. Consequently, every ambulance must have at least one paramedic, one
16 emergency medical technician and must carry equipment designed to provide
17 advanced life support to a patient.

18 56. Advanced life support is defined by California law as, ". . . special
19 services designed to provide definitive prehospital emergency medical care, including,
20 but not limited to, cardiopulmonary resuscitation, cardiac monitoring, cardiac
21 defibrillation, advanced airway management, intravenous therapy, administration of
22 specified drugs and other medicinal preparations, and other specified techniques and
23 procedures administered by authorized personnel under the direct supervision of a
24 base hospital as part of a local EMS system at the scene of an emergency, during
25 transport to an acute care hospital, during interfacility transfer, and while in the
26 emergency department of an acute care hospital until responsibility is assumed by the
27

28 ³ Assignment is limited to statutorily proscribed circumstances when a provider has
been providing uninterrupted service since at least January 1, 1981.

1 emergency or other medical staff of that hospital.” (California Health and Safety
2 Code, Section 1797.52.)

3 57. Advanced life support services are significantly more expensive to
4 provide than basic life support services because they require more highly trained and
5 certified personnel, a larger quantity of, and more sophisticated equipment, and a
6 significantly higher level of supervision than basic life support service.

7 58. California Code of Regulations, Section 51527, which sets the Medi-Cal
8 reimbursement rates for medical transportation services, provides payment for “BLS”
9 or basic life support transports. Section 51527 does not allow reimbursement for
10 advanced life support service, the result of which is an unfunded mandate by the
11 Defendants that Plaintiffs provide advanced life support services at no cost to
12 Defendants.

13 59. Because Plaintiffs must provide advanced life support care, despite that
14 California law prohibits reimbursement for this level of care, Section 51527 is, on its
15 face, in violation of 42 U.S.C. 1396, et seq. and 42 C.F.R. 447.204.

17 **FIRST CLAIM FOR RELIEF**

18 **PERMANENT INJUNCTION**

19 **ARTICLE VI, CLAUSE 2, OF THE UNITED STATES CONSTITUTION**

20 **PRE-EMPTION BY THE MEDICAID ACT**

21 60. Paragraphs 1 through 58 are incorporated by reference as if fully set forth
22 herein.

23 61. Defendants’ promulgation of Section 51527 of the California Code of
24 Regulations violates the Supremacy Clause of the United States Constitution because
25 it is inconsistent with federal law. Plaintiffs may sue for injunctive relief directly
26 under the Supremacy Clause. Indep. Living Ctr. of S. Cal., Inc. v. Shewry, 543 F.3d
27 1050 (9th Cir. Cal. 2008).

1 62. Defendants have never developed an evidentiary base or rate study
2 concerning medical transportation services costs that resulted in the determination of a
3 proposed rate, a violation of 42 U.S.C. 1396a(a)(30)(A) and 42 C.F.R. 447.204.

4 63. Defendants have never presented proposed rates regarding medical
5 transportation services at a public hearing to gather public input about rate
6 determination despite the complexity of the medical transportation services industry
7 and the costs associated with operating such services in a wide range of geographic
8 locations and under a wide range of conditions, in violation of 42 U.S.C.
9 1396a(a)(30)(A) and 42 C.F.R. 447.204.

10 64. Defendants have never made a determination of payment rates for
11 medical transportation services based on an evidentiary base which included pertinent
12 input from the public. Instead, Defendants unilaterally set payment rates for medical
13 transportation services and codified those rates at Section 51527 of the California
14 Code of Regulations, in violation of 42 U.S.C. 1396a(a)(30)(A) and 42 C.F.R.
15 447.204.

16 65. Defendants have never considered whether the payment rates for medical
17 transportation services at Section 51527 of the California Code of Regulations are
18 consistent with efficiency, economy or quality of care, in violation of 42 U.S.C.
19 1396a(a)(30)(A) and 42 C.F.R. 447.204.

20 66. Plaintiffs are currently suffering irreparable injury because they must,
21 pursuant to California law, continue to transport Medi-Cal recipients at a significant
22 financial loss. Plaintiffs are required to accept payment rates illegally established by
23 Defendants and cannot pursue additional payments from Defendants' beneficiaries.
24 Plaintiff's are being injured because Defendants have failed to, and refuse to comply
25 with federal law, including 42 U.S.C. 1396a(a)(30)(A) and 42 C.F.R. 447.204.

26 67. Plaintiffs' legal remedies are inadequate because until enforcement of
27 Section 51527 of the California Code of Regulations is enjoined, and Defendants set
28 reimbursement rates according to federal law, Plaintiffs will continue to suffer a

1 financial loss for every Medi-Cal patient they transport. Even if Plaintiffs could
 2 obtain a money judgment against Defendants, the current illegal reimbursement
 3 scheme would still be in effect thereafter, resulting in a continuing injury that would
 4 require a new lawsuit every time a Medi-Cal recipient is transported and one of the
 5 Plaintiffs is reimbursed at a rate that violates 42 U.S.C. 1396a(a)(30)(A) and 42
 6 C.F.R. 447.204.

7
 8 **SECOND CLAIM FOR RELIEF**
 9 **TAKING PRIVATE PROPERTY FOR PUBLIC USE**
 10 **WITHOUT JUST COMPENSATION**
 11 **FIFTH AMENDMENT TO THE UNITED STATES CONSTITUTION,**
 12 **42 U.S.C. § 1983**

13 68. Paragraphs 1 through 66 are incorporated by reference as if fully set forth
 14 herein.

15 69. Plaintiffs do not base this claim for relief on 42 U.S.C. 1396a (a)(30)(A).

16 70. The Fifth Amendment to the United States Constitution prohibits the
 17 government from taking private property for public use without just compensation.

18 71. "Every person who, under color [of law] ... subjects, or causes to be
 19 subjected, any citizen of the United States ... to the deprivation of any rights,
 20 privileges, or immunities secured by the Constitution and laws, shall be liable to the
 21 party injured in an action at law, suit in equity, or other proper proceeding for
 22 redress." 42 U.S.C. 1983. This statute furnishes a cause of action for the violation of
 23 federal rights created by the Constitution. Chapman v. Houston Welfare Rights Org.,
 24 441 U.S. 600, 617, (1979).

25 72. California law requires Plaintiffs to respond to all emergency calls and
 26 provide emergency treatment and transportation to anyone who requests assistance.
 27 The requirement that Plaintiffs must serve any Medi-Cal participant who requests
 28 assistance, and Defendants' reimbursement at an amount that is on average, 80%

below Plaintiff's actual cost of providing the service, amounts to an appropriation of Plaintiffs' business by Defendants. Defendants hold all bargaining power in regard to Plaintiffs' provision of services to Medi-Cal recipients and have used that power to consciously set ridiculously low reimbursement rates. Consequently, Plaintiffs are forced to provide services to Medi-Cal recipients and pay for those services in violation of their civil rights.

73. Moreover, under federal and state law, Plaintiffs are limited to the Medi-Cal payment as payment-in-full and may not bill a patient for the amount of a shortfall when the patient being transported is a Medicaid patient. The Department's payment is the maximum amount Plaintiffs can recover for their services.

74. Plaintiffs do not receive just compensation from Defendants for transportation of Defendants' Medi-Cal beneficiaries. Because Medi-Cal rates for medical transportation are substantially below the actual cost of providing the transport service, and because Defendants know that Plaintiffs must provide service to their beneficiaries, Defendants are forcing Plaintiffs to provide their services to the State of California at a significant and ongoing loss. Consequently, Plaintiffs are being compelled to subsidize Medi-Cal with their private funds. This action on the part of the Defendants amounts to the taking of Plaintiffs' private property for public use without just compensation, in violation of Plaintiffs' civil rights.

THIRD CLAIM FOR RELIEF

VIOLATION OF PROCEDURAL DUE PROCESS

FIFTH AMENDMENT TO THE UNITED STATES CONSTITUTION,

42 U.S.C. § 1983

75. Paragraphs 1 through 73 are incorporated by reference as if fully set forth herein.

76. Plaintiffs do not base this claim for relief on 42 U.S.C. 1396a (a)(30)(A).

1 77. The Fifth Amendment requires reasonable notice and opportunity to be
2 heard before the government deprives a person of a property interest. Plaintiffs have a
3 significant property interest in the money they spend and the resources they deplete
4 transporting and treating Medi-Cal recipients. Defendants reimburse Plaintiffs only a
5 small portion of the cost of providing these services to their beneficiaries and prohibit
6 them from obtaining any additional reimbursement.

7 78. The State Plan requires that notice and a hearing take place before
8 reimbursement rates are set forth under the California Code of Regulations.
9 Attachment 4.19-B of the State Plan requires “presentation of proposed rates at public
10 hearing to gather public input to the rate determination process” before rates are
11 established through the enactment of regulations. (Attachment 4.19-B, pg. 1.)

12 79. California Government Code, Section 11346.4, requires that notice be
13 given of proposed regulations “prior to the hearing and close of the public comment
14 period on the adoption, amendment or repeal of a regulation” to various groups. One
15 group which must be provided with this notice is “[a] representative number of small
16 businesses . . . that are likely to be affected by the proposed action.” (California
17 Government Code, Section 11346.4(a)(3).)

18 80. The Code also provides that notice of proposed adoption, amendment or
19 repeal of a regulation must be provided, and that it must include various items of
20 information, including whether and to what extent the proposed regulation will have
21 an adverse economic impact directly affecting statewide business. (California
22 Government Code, Section 11346.5.)

23 81. Defendants have failed to comply with either the State Plan or any of the
24 state or federal regulations requiring notice and a hearing for proposed regulations
25 regarding Medi-Cal reimbursement rates for medical transportation services.

26 82. Plaintiffs have not been provided with any form of notice or hearing
27 regarding the setting of reimbursement rates codified in California Code of
28 Regulations, Section 51527.

83. Without being provided with notice or a hearing, Plaintiffs have been denied their property interest in money and resources they are forced to expend transporting and treating Medi-Cal patients at a financial loss, a violation of Plaintiffs' civil rights.

FOURTH CLAIM FOR RELIEF

VIOLATION OF EQUAL PROTECTION

FOURTEENTH AMENDMENT TO THE U.S. CONSTITUTION,

42 U.S.C. § 1983

84. Paragraphs 1 through 82 are incorporated by reference as if fully set forth herein.

85. Plaintiffs do not base this claim for relief on 42 U.S.C. 1396a (a)(30)(A).

86. Under the State Plan, a wide range of medical services are provided to Medi-Cal beneficiaries. Medical transportation is assured under the State Plan (State Plan, Section 3.1(c)(1) and Attachment 3.1-D) and the state plan must "[d]escribe the policy and the methods to be used in setting payment rates for each type of service included in the State's Medicaid program." (42 C.F.R. Section 447.201.)

87. The State Plan provides specific reimbursement methods to be used for medical transportation services (State Plan, Attachment 4.19-B), and for other types of services. For example, specific methodology for determining reimbursement rates is provided for durable medical equipment (Attachment 4.19-B, page 3a), Targeted Case Management Services (Attachment 4.19-B, page 5a), Federally Qualified Health Centers and Rural Health Clinics (Attachment 4.19-B, page 6), Drug Medical services (Attachment 4.19-B, page 38), and numerous other medical services (see Attachment 4.19-B).

88. On information and belief, Plaintiffs allege that Defendants have complied with federal laws when setting Medi-Cal reimbursement rates for providers other than medical transportation services providers.

1 89. There is no legitimate state end served by Defendants' compliance with
2 the requirements of 42 C.F.R. 447.201 (requiring State plan to set forth policy and
3 methods used in setting payment rates) for certain services and their refusal to comply
4 with it for medical transportation services. Non-emergency service providers can
5 negotiate payment rates with Defendants because they can choose not to participate in
6 Defendants' program. Defendants are aware that because of the emergency nature of
7 their work and the statutory provisions designed to assist all persons in need of
8 emergency assistance, Plaintiffs cannot choose to decline participation.

9 90. Defendants' refusal to comply with federal or state law when setting
10 reimbursement rates for medical transportation services providers does not rationally
11 relate to any public purpose. The refusal is contrary to 42 U.S.C. 1396 et seq., which
12 requires Defendants to provide medical transportation services to Medi-Cal recipients
13 and to reimburse the providers of those services pursuant to a fair process that takes
14 into consideration the actual cost of providing the services. Defendants' failure places
15 all Californians at risk by weakening the medical transportation services industry as a
16 whole by forcing Plaintiffs to subsidize Medi-Cal with their private funds which
17 causes service providers to cut back on personnel, training, equipment and innovation
18 to cut costs and avoid going out of business. Defendants' actions are reducing the
19 overall quality of care that all Californians receive.

20 91. At a minimum, under the State Plan, reimbursement rates must be
21 determined by following the four-step process set forth in Attachment 4.19-B to the
22 State Plan. Defendants have failed to follow these steps in determining
23 reimbursement rates for Plaintiffs. However, several types of medical services are
24 afforded the required processes under the State Plan for determination of their
25 reimbursement rates. The distinctions drawn in the Department's application of state
26 and federal law bear no rational relationship to any legitimate state end.

27 92. Consequently, Plaintiffs are not afforded the same or similar protection
28 under the law as other Medi-Cal service providers, in violation of their civil rights.

FIFTH CLAIM FOR RELIEF

VIOLATION OF SUBSTANTIVE DUE PROCESS

FOURTEENTH AMENDMENT TO THE U.S. CONSTITUTION,

42 U.S.C. § 1983

93. Paragraphs 1 through 91 are incorporated by reference as if fully set forth herein.

94. Plaintiffs do not base this claim for relief on 42 U.S.C. 1396a (a)(30)(A).

95. Defendants' action of promulgating Section 51527 is arbitrary and capricious conduct that shocks the conscience because Defendants refuse to comply with promises they made in exchange for receiving federal money that was intended by the federal government to be paid to Plaintiffs for the services they rendered to Medi-Cal beneficiaries; because Defendants use unilateral bargaining power to force Plaintiffs to provide service to Medi-Cal; because Defendants, in violation of federal and state law, unilaterally set the rates at which Plaintiffs are reimbursed at a ridiculously low level; because despite the fact that Defendants themselves developed and submitted their rate setting procedures to the federal government to obtain approval of their State Plan, Defendants have never, and continue to refuse to follow their own procedures to establish fair reimbursement rates for the services provided by Plaintiffs.

96. Moreover, Defendants' conduct is arbitrary and capricious conduct that shocks the conscience because there is no relation whatever of Defendants' reimbursement rates to the costs incurred by Plaintiffs to provide the service, and in fact, Defendants reimburse Plaintiffs at a rate that is approximately 20% of the actual cost of providing the service to Defendants' beneficiaries. The issue is not one of lost profits, but rather it is cash out-of-pocket for each transport of Defendant's Medi-Cal beneficiaries that is being compelled by Defendants.

1 California Code of Regulations until Defendants set Medi-Cal
 2 reimbursement rates for medical transportation services providers
 3 in compliance with 42 U.S.C. 1396a(a)(30)(A) and 42 C.F.R.
 4 447.204 as specified in Attachment 4.19-B, page 1, of the
 5 State Plan; and

6 B. Permanently enjoining Defendants and their employees, designees,
 7 agents, and all other persons or entities in active concert or privity
 8 or participation with them from reimbursing Plaintiffs less than
 9 their "usual charges" for the services they provide to
 10 Defendants' Medi-Cal beneficiaries until Defendants set Medi-Cal
 11 reimbursement rates for medical transportation services providers
 12 in compliance with 42 U.S.C. 1396a(a)(30)(A) and 42 C.F.R.
 13 447.204 as specified in Attachment 4.19-B, page 1, of the State
 14 Plan;

- 15 2. Declaratory relief consistent with the injunction;
- 16 3. Damages pursuant to 42 U.S.C. § 1983 in an amount to be ascertained;
- 17 4. Attorney fees and costs pursuant to 42 U.S.C. § 1988;
- 18 5. Costs of suit and interest;
- 19 6. Any other relief the Court may deem proper and equitable.

20
 21 Dated: June 3, 2010

HAWKINS PARNELL THACKSTON & YOUNG LLP

Edward R. Ulloa

Kevin R. Warren

22
 23
 24 By: 

Kevin R. Warren

Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a trial by jury.

Dated: June 3, 2010

HAWKINS PARNELL THACKSTON & YOUNG LLP

Edward R. Ulloa

Kevin R. Warren

By: 

Kevin R. Warren

Attorneys for Plaintiffs

**UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA**

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Ronald S. W. Lew and the assigned discovery Magistrate Judge is Charles Eick.

The case number on all documents filed with the Court should read as follows:

CV10- 4182 RSWL (Ex)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

=====

NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

☒ **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

☐ **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

☐ **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

COPY

Name & Address:

Edward R. Ulloa (SBN 177909)
 Kevin R. Warren (SBN 242238)
 HAWKINS PARNELL THACKSTON & YOUNG LLP
 444 S. Flower Street, Suite 1100
 Los Angeles, CA 90071
 (213) 486-8000 Fax (213) 486-8000

UNITED STATES DISTRICT COURT
 CENTRAL DISTRICT OF CALIFORNIA

Sierra Medical Services Alliances, et al.,

CASE NUMBER

PLAINTIFF(S)

v.

David Maxwell-Jolly, Director of the Department of
 Health Care Services, State of California, California
 Department of Health Care Services,

DEFENDANT(S).

see Attachment

CV 10 4182

RSWL
(EX)

SUMMONS

TO: DEFENDANT(S): David Maxwell-Jolly, Director of the Department of Health Care Services, State of California, California Department of Health Care Services

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☒ complaint ☐ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Edward R. Ulloa, whose address is 444 S. Flower Street, Suite 1100, Los Angeles, CA 90071. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

Dated:

- 4 JUN 2010

By:

Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

1 Edward R. Ulloa (SBN 177909)

eulloa@hptylaw.com

2 Kevin R. Warren (SBN 242238)

kwarren@hptylaw.com

3 MEMBERS OF:

HAWKINS PARNELL THACKSTON & YOUNG LLP

4 444 South Flower Street, Suite 1100

Los Angeles, CA 90071

5 Telephone: (213) 486-8000

Facsimile: (213) 486-8080

6 Attorneys for Plaintiffs

7
8 **THE UNITED STATES DISTRICT COURT FOR THE**
9 **CENTRAL DISTRICT OF CALIFORNIA**
10

11 SIERRA MEDICAL SERVICES
12 ALLIANCE, CARE FLIGHT, RIGGS
13 AMBULANCE SERVICE, INC.,
14 SCHAEFER AMBULANCE SERVICE,
15 INC., AMERICAN AMBULANCE OF
16 VISALIA, DESERT AMBULANCE
17 SERVICE, SAN LUIS AMBULANCE
18 SERVICE, INC., FIRST RESPONDER
19 EMERGENCY MEDICAL SERVICES-
20 SACRAMENTO, INC., FIRST
21 RESPONDER EMERGENCY MEDICAL
22 SERVICES, INC., IMPERIAL
23 AMBULANCE SERVICES, INC., EXETER
24 DISTRICT AMBULANCE, SIERRA
25 LIFESTAR, INC., d.b.a, LIFESTAR
26 AMBULANCE, DEL NORTE
27 AMBULANCE, INC., PINER'S
28 AMBULANCE, INC., AMERICAN
LEGION POST 108 AMBULANCE
SERVICE, PROGRESSIVE AMBULANCE,
INC., d.b.a., LIBERTY AMBULANCE,
HALL AMBULANCE SERVICE, INC.,
CITY AMBULANCE OF EUREKA, INC.,
PATTERSON DISTRICT AMBULANCE,
K.W.P.H. ENTERPRISES, d.b.a.,
AMERICAN AMBULANCE,
COMMUNITY AMBULANCE SERVICES,
INC., SIERRA AMBULANCE SERVICE,
INC., CARE AMBULANCE SERVICE,
INC., DELANO AMBULANCE SERVICE,
INC., KERN EMERGENCY MEDICAL
TRANSPORTATION CORPORATION,
d.b.a., KERN AMBULANCE, MANTECA
DISTRICT VOLUNTEER AMBULANCE
SERVICE, dba MANTECA DISTRICT

Case No.

**COMPLAINT FOR INJUNCTIVE
RELIEF, DECLARATORY RELIEF AND
DAMAGES; DEMAND FOR JURY
TRIAL**

1 AMBULANCE SERVICE,

2 Plaintiffs,

3 vs.

4
5 DAVID MAXWELL-JOLLY, Director of the
6 Department of Health Care Services, State of
7 California, CALIFORNIA DEPARMENT
OF HEALTH CARE SERVICES,

8 Defendants.
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**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

I (a) PLAINTIFFS (Check box if you are representing yourself <input type="checkbox"/>) Sierra Medical Services Alliance, Care Flight, Riggs Ambulance Service, Inc., Schaefer Ambulance Service, Inc., American Ambulance of Visalia, Desert Ambulance Service, San Luis Ambulance Service, Inc., Continued on Attachment A		DEFENDANTS David Maxwell-Jolly, Director of the Department of Health Care Services, State of California, California Department of Health Care Services	
(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.) Edward R. Ujloa (SBN 177909), Kevin R. Warren (SBN 242238) Hawkins Parnell Thackston & Young LLP 444 S. Flower Street, Suite 1100, Los Angeles, California 90071		Attorneys (If Known)	

II. BASIS OF JURISDICTION (Place an X in one box only.) <input type="checkbox"/> 1 U.S. Government Plaintiff <input checked="" type="checkbox"/> 3 Federal Question (U.S. Government Not a Party) <input type="checkbox"/> 2 U.S. Government Defendant <input type="checkbox"/> 4 Diversity (Indicate Citizenship of Parties in Item III)	III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.) <table style="width:100%; border: none;"> <tr> <td style="width:35%;">Citizen of This State</td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> <td style="width:35%;">Incorporated or Principal Place of Business in this State</td> <td style="width:10%; text-align: center;">PTF</td> <td style="width:10%; text-align: center;">DEF</td> </tr> <tr> <td></td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td style="text-align: center;"><input type="checkbox"/> 1</td> <td></td> <td style="text-align: center;"><input type="checkbox"/> 4</td> <td style="text-align: center;"><input type="checkbox"/> 4</td> </tr> <tr> <td>Citizen of Another State</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td style="text-align: center;"><input type="checkbox"/> 2</td> <td>Incorporated and Principal Place of Business in Another State</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> <td style="text-align: center;"><input type="checkbox"/> 5</td> </tr> <tr> <td>Citizen or Subject of a Foreign Country</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td style="text-align: center;"><input type="checkbox"/> 3</td> <td>Foreign Nation</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> <td style="text-align: center;"><input type="checkbox"/> 6</td> </tr> </table>	Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF		<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4	Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5	Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6
Citizen of This State	PTF	DEF	Incorporated or Principal Place of Business in this State	PTF	DEF																				
	<input type="checkbox"/> 1	<input type="checkbox"/> 1		<input type="checkbox"/> 4	<input type="checkbox"/> 4																				
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5																				
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6																				

IV. ORIGIN (Place an X in one box only.)
☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify): ☐ 6 Multi-District Litigation ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)
CLASS ACTION under F.R.C.P. 23: ☐ Yes ☒ No **MONEY DEMANDED IN COMPLAINT:** \$ to be ascertained

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)
 Illegal Medi-Cal rate statute, Supremacy Clause of U.S. Const., 42 U.S.C. 1395 et seq., 42 U.S.C. 1396, et seq., 42 U.S.C. 1983, Fifth Am., Fourteenth Am.

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES <input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce/ICC Rates/etc. <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Act <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Info. Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input checked="" type="checkbox"/> 950 Constitutionality of State Statutes	CONTRACT <input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise REAL PROPERTY <input type="checkbox"/> 210 Land Condemnation <input type="checkbox"/> 220 Foreclosure <input type="checkbox"/> 230 Rent Lease & Ejectment <input type="checkbox"/> 240 Torts to Land <input type="checkbox"/> 245 Tort Product Liability <input type="checkbox"/> 290 All Other Real Property	TORTS PERSONAL INJURY <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Fed. Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <input type="checkbox"/> 362 Personal Injury-Med Malpractice <input type="checkbox"/> 365 Personal Injury-Product Liability <input type="checkbox"/> 368 Asbestos Personal Injury Product Liability IMMIGRATION <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus-Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	TORTS PERSONAL PROPERTY <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability BANKRUPTCY <input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 CIVIL RIGHTS <input type="checkbox"/> 441 Voting <input type="checkbox"/> 442 Employment <input type="checkbox"/> 443 Housing/Accommodations <input type="checkbox"/> 444 Welfare <input type="checkbox"/> 445 American with Disabilities - Employment <input type="checkbox"/> 446 American with Disabilities - Other <input type="checkbox"/> 440 Other Civil Rights	PRISONER PETITIONS <input type="checkbox"/> 510 Motions to Vacate Sentence Habeas Corpus <input type="checkbox"/> 530 General <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus/Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition FORFEITURE / PENALTY <input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs <input type="checkbox"/> 660 Occupational Safety /Health <input type="checkbox"/> 690 Other	LABOR <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act PROPERTY RIGHTS <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input type="checkbox"/> 840 Trademark SOCIAL SECURITY <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) FEDERAL TAX SUITS <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
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FOR OFFICE USE ONLY: Case Number: _____

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? ☒ No ☐ Yes

If yes, list case number(s): _____

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? ☒ No ☐ Yes

If yes, list case number(s): _____

Civil cases are deemed related if a previously filed case and the present case:

(Check all boxes that apply) ☐ A. Arise from the same or closely related transactions, happenings, or events; or

☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or

☐ C. For other reasons would entail substantial duplication of labor if heard by different judges; or

☐ D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.

☐ Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles, Orange, San Bernardino, Riverside, San Luis Obispo	See Attachment A

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.

☐ Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles	Sacramento

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Los Angeles, Orange, San Bernardino, Riverside, San Luis Obispo	Lassen, Placer, Merced, Imperial, San Diego, Tulare, Yolo, Butte, Del Norte, Amador, Calaveras, Kern, Humboldt, Stanislaus, Fresno, Kings, Madera, San Joaquin, Tuolumne

* Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): _____

Date June 4, 2010

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

ATTACHMENT A

I(a) PLAINTIFFS, cont.

First Responder Emergency Medical Services-Sacramento, Inc.
First Responder Emergency Medical Services, Inc.
Imperial Ambulance Services, Inc.
Exeter District Ambulance
Sierra Lifestar, Inc., dba Lifestar Ambulance
Del Norte Ambulance, Inc.
Napa Ambulance Service, Inc., dba Piner's Ambulance, Inc.
American Legion Post 108 Ambulance Service
Progressive Ambulance, Inc., dba Liberty Ambulance
Hall Ambulance Service, Inc.
City Ambulance of Eureka, Inc.
Patterson District Ambulance
K.W.P.H. Enterprises, dba American Ambulance
Community Ambulance Services, Inc. dba Care Ambulance
Sierra Ambulance Service, Inc.
Care Ambulance Service, Inc.
Delano Ambulance Service, Inc.
Kern Emergency Medical Transportation Corporation,
dba Kern Ambulance
Manteca District Volunteer Ambulance Service,
dba Manteca District Ambulance Service

IX VENUE, cont.

PLAINTIFF

Sierra Medical Services Alliance
Care Flight
Riggs Ambulance Service, Inc.
Schaefer Ambulance Service, Inc.

American Ambulance of Visalia
Desert Ambulance Service
San Luis Ambulance Service, Inc.
First Responder Emergency Medical Services-Sacramento, Inc.
First Responder Emergency Medical Services, Inc.
Imperial Ambulance Services, Inc.
Exeter District Ambulance
Sierra Lifestar, Inc., dba Lifestar Ambulance
Del Norte Ambulance, Inc.

COUNTY

Lassen
Placer
Merced
Los Angeles, Orange,
San Bernardino, Riverside,
Imperial, San Diego
Tulare
San Bernardino
San Luis Obispo
Placer, Yolo
Butte
Tulare
Tulare
Tulare
Del Norte

Napa Ambulance Service, Inc., dba Piner's Ambulance, Inc.
American Legion Post 108 Ambulance Service
Progressive Ambulance, Inc., dba Liberty Ambulance
Hall Ambulance Service, Inc.
City Ambulance of Eureka, Inc.
Patterson District Ambulance
K.W.P.H. Enterprises, dba American Ambulance
Community Ambulance Services, Inc. dba Care Ambulance
Sierra Ambulance Service, Inc.
Care Ambulance Service, Inc.
Delano Ambulance Service, Inc.
Kern Emergency Medical Transportation Corporation,
 dba Kern Ambulance
Manteca District Volunteer Ambulance Service,
 dba Manteca District Ambulance Service

Tulare
Amador, Calaveras
Kern
Kern
Humboldt
Stanislaus
Fresno, Kings
Kern
Madera
Orange, Los Angeles
Kern

Kern

San Joaquin, Tuolumne