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23 **UNITED STATES DISTRICT COURT**

24 **CENTRAL DISTRICT OF CALIFORNIA, WESTERN DIVISION**

25 INDEPENDENT LIVING CENTER
26 OF SOUTHERN CALIFORNIA, INC.,
27 a nonprofit corporation, *et al.*,

28 Petitioners,

SACRAMENTO FAMILY MEDICAL
CLINICS, INC.; *et al.*,

Intervenors,

v.

TOBY DOUGLAS, Director of the
Department of Health Care Services,
State of California

Defendants.

Case No. CV 08-3315 CAS (MANx)

**DECLARATION OF CRAIG J.
CANNIZZO IN SUPPORT OF
JOINT MOTION FOR APPROVAL
OF SETTLEMENT AGREEMENT**

[Notice of Motion and Joint Motion,
Memorandum of Points and Authorities
and Proposed Order filed concurrently
herewith]

Date: September 22, 2014

Time: 10:00 a.m.

Ctrm.: 5, Floor 2

Hon. Christina A. Snyder

Action Filed: April 22, 2008

CV 08-3315 CAS (MANx)

DECLARATION OF CRAIG J. CANNIZZO IN SUPPORT OF
JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

1 CALIFORNIA PHARMACISTS
ASSOCIATION, *et al.*,

2 Plaintiffs,

3 v.

4 TOBY DOUGLAS, Director of the
California Department of Health Care
Services

5 Defendant.

Case No. CV 09-722 CAS (MANx)

Hon. Christina A. Snyder, Judge
Presiding

Action Filed: January 29, 2009

6 INDEPENDENT LIVING CENTER
OF SOUTHERN CALIFORNIA, INC.,
7 *et al.*,

8 Plaintiffs,

9 v.

10 TOBY DOUGLAS, Director of the
Department of Health Care Services,
State of California

11 Defendant.

Case No. CV 09-382 CAS (MANx)

Hon. Christina A. Snyder, Judge
Presiding

Action Filed: January 16, 2009

12 CALIFORNIA HOSPITAL
ASSOCIATION

13 Plaintiff,

14 v.

15 TOBY DOUGLAS, Director of the
Department of Health Care Services,
State of California

16 Defendant.

Case No. CV 09-8642 CAS (MANx)

Hon. Christina A. Snyder, Judge
Presiding

Action Filed: November 24, 2009

CV 08-3315 CAS (MANx)

DECLARATION OF CRAIG J. CANNIZZO IN SUPPORT OF
JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT

DECLARATION OF CRAIG J. CANNIZZO

I, CRAIG J. CANNIZZO, declare as follows:

1. I am an attorney duly licensed to practice law in the State of California. I am an attorney with the law firm of Hooper, Lundy & Bookman, P.C., counsel of record for certain Plaintiffs and Intervenor herein. The facts stated herein are personally known to me, and if called as a witness I could and would competently testify to them.

2. Attached hereto as Exhibit A is a true and correct copy of the Settlement Agreement reached in the above-referenced cases.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on August 19, 2014, at San Francisco, California.

/s/
CRAIG J. CANNIZZO

EXHIBIT A

SETTLEMENT AGREEMENT

This Settlement Agreement is made by and among Toby Douglas, in his official capacity as the Director of the California Department of Health Care Services, and the Department of Health Care Services (collectively, DHCS), on the one hand, and each of the named plaintiffs and intervenors in the Applicable Cases as defined below; Lynn Carman and Stanley L. Friedman with respect to Paragraphs III.C.1.a and III.C.1.c only; and Hooper, Lundy & Bookman, P.C. with respect to Paragraphs III.C.1.b and III.C.1.c only, on the other hand.

I. RECITALS

WHEREAS, the State of California implemented various reductions and limitations on Medi-Cal reimbursement effective on and after July 1, 2008;

WHEREAS, certain of the Medi-Cal reimbursement reductions and limitations are being challenged in the Applicable Cases;

WHEREAS, certain of the plaintiffs in the Applicable Cases and their counsel believe that they have viable legal claims against DHCS for additional Medi-Cal reimbursement arising from the application of the challenged Medi-Cal reimbursement reductions and limitations;

WHEREAS, DHCS denies the validity of any such claims;

WHEREAS, DHCS believes that it has valid claims for recovery of Medi-Cal reimbursement as to certain providers for various time periods during which various reductions and limitations on Medi-Cal reimbursement were enjoined by a district court, but where the federal government, through its Centers for Medicare and Medicaid Services (CMS), ultimately approved the reductions and limitations;

WHEREAS, the Settling Plaintiffs deny the validity of any such claims;

WHEREAS, the California Legislature enacted legislation in 2011 (SB 90) that ended effective April 13, 2011 the reductions and limitations challenged in some of the Applicable Cases for non-contract hospital inpatient services, as codified at Welfare and Institutions Code section 14166.245;

WHEREAS, as a result of the enactment of the 2011 legislation (SB 90), certain of the Settling Plaintiffs agreed not to pursue further certain legal claims against DHCS relating to the 2008 AB 5 Reductions, 2009 AB 5 Reductions, and AB 1183 Reductions (as defined below) as to certain hospitals services;

WHEREAS, the settlement provided for herein is not, and shall not in any way be construed as, deemed to be evidence of, or be admissible in any action or proceeding of any kind whatsoever (including, without limitation, litigation, arbitration, and administrative proceedings) as an admission or concession of any fault, liability, or fact by any individual or entity;

WHEREAS, the Parties recognize the inherent uncertainty in litigation, and the time and resources necessary to litigate the issues raised in the Applicable Cases;

WHEREAS, the Parties desire to fully and finally resolve and settle the Applicable Cases; and

WHEREAS, the Parties have engaged in extensive settlement negotiations supervised by a Ninth Circuit mediator; including in-person meetings, conference calls, and electronic communications prior to reaching the terms contained in this Settlement Agreement.

II. DEFINITIONS

The following definitions shall apply for purposes of this Settlement Agreement:

1. “2008 AB 5,” means Assembly Bill X3 5, enacted February 16, 2008, and enrolled at Chapter 3, Statutes of 2007-2008, Third Extraordinary Session.

2. “2008 AB 5 Reductions,” means the 10% reduction to Medi-Cal payments for various health care services enacted pursuant to 2008 AB 5, and previously codified at California Welfare & Institutions Code §§ 14105.19(b) and 14166.245.

3. “2009 AB 5,” means Assembly Bill X4 5, enacted on July 28, 2009, and enrolled at Chapter 5, Statutes of 2009-2010, Fourth Extraordinary Session.

4. “2009 AB 5 Reductions,” means the Medi-Cal reductions and limits enacted pursuant to 2009 AB X4 5 and codified at California Welfare & Institutions Code §§ 14105.191(f)(1) and 14166.245(g).

5. “AB 1183,” means Assembly Bill 1183, enacted on September 30, 2008, and enrolled at Chapter 758, Statutes of 2008.

6. “AB 1183 Reductions,” means the Medi-Cal 1% and 5% payment reductions, and “applicable average regional per diem contract rate reduced by 5%” reimbursement limit for some non-contract hospitals, enacted pursuant to AB 1183, and previously codified at California Welfare & Institutions Code § 14105.191(b) and § 14166.245(b)(2)(A) and (c)(3)(B).

7. “Agreement” or “Settlement Agreement” or “Settlement” means this Settlement Agreement.

8. “Applicable Cases” means the following:

a. *California Association for Health Services at Home v. Shewry*, United States District Court for the Central District of California, Case No. CV08-07045 CAS-MAN;

b. *California Hospital Association v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. 2:09-CV-08642 CAS;

c. *California Hospital Association v. Maxwell-Jolly*, Sacramento County Superior Court, Case No. 34-2010-80000673;

d. *California Hospital Association v. Douglas*, San Francisco Superior Court, Case No. CPF-11-511413;

e. *California Medical Association v. Shewry*, Los Angeles County Superior Court, Case No. BC390126;

f. *California Medical Transportation Association, Inc. v. Shewry*, United States District Court for the Central District of California, Case No. CV08-07046 CAS-MAN;

g. *California Pharmacists Association v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. CV 09-722 CAS(Ex);

h. *Independent Living Center of Southern California v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. 2:08-cv-03315 CAS (MANx); and

i. *Independent Living Center of Southern California v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. 2:09-CV-00382-CAS (MANx).

9. “CHA” means the California Hospital Association.

10. “CHA Notice” means the notice described in paragraph III.A.4.

11. “DHCS” means and includes each of the California Department of Health Care Services and the Director of the California Department of Health Care Services.

12. “DHCS’s Claimed Excess Payments” means payments that DHCS has made to Medi-Cal providers, or may make to Medi-Cal providers in the future, in excess of the amounts authorized by state law, specifically as to periods in which (1) the 2008 AB 5 Reductions, 2009 AB 5 Reductions, and/or AB 1183 Reductions were enjoined by a court, and (2) DHCS ultimately obtained federal approval from CMS to implement the reductions, and where, in

addition, (3) such payments were in excess of the Medicaid reimbursement ultimately approved by CMS through amendments to the California State Medicaid Plan.

13. “DHCS’s Released Claims” means any and all rights, claims, and causes of action that DHCS and/or the State had, has, or may have in the future against Medi-Cal providers for recoupment of DHCS’s Claimed Excess Payments, if CMS approves DHCS’s request not to recoup those payments in accordance with Paragraph III.A.2, *supra*. However, “DHCS’s Released Claims” shall not include any claims for recoupment of DHCS’s Claimed Excess Payments as to any Opt Out Provider.

14. “DP/NF,” means distinct part nursing facility, which is a unit of a hospital that furnishes skilled nursing services.

15. “Federal Released Entities” means any federal agency, federal agency subdivision, or person employed by the federal government, including but not limited to the United States Department of Health and Human Services (HHS); the Secretary of HHS; CMS; any subdivisions of HHS and CMS; and the officers, employees and agents of HHS and CMS, and persons working with them.

16. “Interlocutory Ninth Circuit Appeals and Cross-Appeals” means:

- a. *California Hospital Association v. Maxwell-Jolly*, 9th Cir. No. 10-55462;
- b. *California Pharmacists Association v. Maxwell-Jolly*, 9th Cir. No. 09-55365;
- c. *California Pharmacists Association v. Maxwell-Jolly*, 9th Cir. No. 09-55532;
- d. *Independent Living Center of Southern California, Inc. v. Shewry*, 9th Cir. No. 08-56422;

e. *Independent Living Center of Southern California, Inc. v. Shewry*, 9th Cir. No. 08-56554;

f. *Independent Living Center of Southern California, Inc. v. Shewry*, 9th Cir. No. 08-57016; and

g. *Independent Living Center of Southern California, Inc. v. Maxwell-Jolly*, 9th Cir. No. 09-55692.

17. “Non-Contract Hospital” means a hospital that has not entered into a Selective Provider Contracting Program (SPCP) contract with DHCS, as set forth in Article 2.6 of Chapter 7, Part 3, Division 9 of the California Welfare and Institutions Code.

18. “North Bay HealthGroup Plaintiff” means any plaintiff in *NorthBay Healthcare Group v. Douglas*, San Francisco Superior Court, Case No. CGC-11-512059.

19. “Opt Out Provider” means any and all of the following: (1) any individual or entity that maintains and fails to dismiss within thirty (30) days of the Settlement Effective Date any lawsuit or administrative action (e.g., administrative audit appeal) against any entity or official of the State or Federal governments with respect to any or all of the 2008 AB 5 Reductions, the 2009 AB 5 Reductions, or the AB 1183 Reductions as applied to any service(s), excluding any such action limited exclusively to the accuracy of the computation of any of the challenged statutory reductions to a specific Medi-Cal provider; (2) any individual or entity that, at any time on or after the Settlement Effective Date, initiates a new lawsuit or administrative action against any entity or official of the State or Federal governments with respect to any one or all of the 2008 AB 5 Reductions, the 2009 AB 5 Reductions, or the AB 1183 Reductions, excluding any such action limited exclusively to the accuracy of the computation of any of the

challenged statutory reductions to a specific Medi-Cal provider; and (3) any Santa Rosa Plaintiff or North Bay HealthGroup Plaintiff.

Lawsuits or administrative actions that will be the basis for treating a provider as an “Opt Out Provider” under this Paragraph shall include, but shall not be limited, to any lawsuit that a hospital may timely file in accordance with the CHA Notice and the procedures set forth in Paragraph III.A.4, *infra*, and any following lawsuits that are not dismissed with prejudice within thirty (30) days after the Settlement Effective Date:

- a. *California Association of Health Facilities v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. CV10-03259;
- b. *California Hospital Association v. Maxwell-Jolly*, United States District Court for the Central District of California, No. 2:09-CV-03694;
- c. *Care Centers, Inc. v. Maxwell-Jolly*, Sacramento County Superior Court, Case No. 34-2010-80000700;
- d. *Developmental Services Network v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. CV10-03284;
- e. *Hospital of Barstow, Inc., v. California Department of Health Care Services*, Sacramento County Superior Court, Case No. 34-2010-80000522;
- f. *Hospital of Barstow, Inc. v. Sebelius*, United States District Court for the Central District of California, Case No. CV11-10638 CAS (MANx);
- g. *NorthBay Healthcare Group v. Douglas*, San Francisco Superior Court, Case No. CGC-11-512059, subject to the additional terms described in this Paragraph;

h. *Santa Rosa Memorial Hospital v. Maxwell-Jolly*, United States District Court for the Northern District of California, Case No. 08-CV-5173-SC, subject to the additional terms described in this Paragraph; and

i. *Santa Rosa Memorial Hospital v. Douglas*, San Francisco Superior Court, Case No. CPF-09-509658, subject to the additional terms described in this Paragraph.

20. “Parties” means the named plaintiffs and intervenors in the Applicable Cases and DHCS.

21. “Plaintiff Released Claims” means:

a. Any and all rights, claims, and causes of action, whether federal, state, or otherwise, and whether past, present, or future, asserted in the Applicable Cases, and the Interlocutory Ninth Circuit Appeals and Cross-Appeals, and any and all rights, claims, and causes of action, whether federal, state, or otherwise, and whether past, present, or future, concerning or relating to the 2008 AB5 Reductions, 2009 AB5 Reductions, or AB 1183 Reductions, that could have been asserted in respect to those Reductions in those cases based on the facts alleged therein, including but not limited to any claim for Medicaid reimbursement for services subject to those Reductions rendered on or after July 1, 2008 but before June 1, 2011 that would exceed reimbursement that complies with California’s federally-approved Medicaid State Plan as amended, including but not limited to State Plan Amendments (SPAs) approved by CMS as SPA 08-009A, SPA 08-009B1, and SPA 08-009D on or about October 27, 2011, excluding any such claim by an Opt Out Provider; and

b. Any and all rights, claims, and causes of action, under the federal Administrative Procedures Act (APA) or any other federal or state law, whether past, present, or future, arising from HHS’s approval for various periods of implementation the 2008 AB 5

Reductions, 2009 AB 5 Reductions, AB 1183 Reductions, excluding any such rights, claims, and causes of action by an Opt Out Provider.

22. “Santa Rosa Plaintiff” means any plaintiff in the following matters: *Santa Rosa Memorial Hospital v. Maxwell-Jolly*, United States District Court for the Northern District of California, Case No. 08-CV-5173-SC; *Santa Rosa Memorial Hospital v. Douglas*, San Francisco Superior Court, Case No. CPF-09-509658.

23. “Settlement Execution Date” means the date that this Settlement Agreement is fully executed.

24. “Settlement Effective Date” means either (1) the date on which CMS grants complete and total approval of DHCS’s request to forgo seeking recoupment of DHCS’s Claimed Excess Payments, as provided in Paragraph III.A.2 *infra*, or (2) if CMS only partially approves DHCS’s request, the date (if any) upon which DHCS notifies plaintiffs’ counsel that it is not exercising its option to terminate the Settlement as set forth in Paragraph III.D.4, *infra*.

25. “Settling Plaintiffs” means all of the named plaintiffs and intervenors in the Applicable Cases; their successors and assigns, agents, heirs, executors, administrators, and personal representatives (as to plaintiffs who are individual persons); their successors and assigns, parent corporations, affiliates, subsidiaries, divisions, current members, former members who were members during any period of time in which the 2008 AB 5 Reductions, the 2009 AB 5 Reductions, and the AB 1183 Reductions were in effect or would have been in effect if not enjoined by the courts, officers, directors, agents and employees (as to plaintiffs and intervenors who are not individual persons); and any person or entity in privity with the named plaintiffs and intervenors, or who otherwise can claim through or be bound by them. Notwithstanding the foregoing, Settling Plaintiffs shall not include any Opt Out Provider.

26. “State Released Entities” means the State of California; the Governor of the State of California; the State Legislature and all of its members; any elected state officer; any state agency, board, and commission, and their officers, employees, agents, and persons working with them, including but not limited to DHCS and the Director of DHCS; and any subdivision of the State.

III. TERMS

In view of the foregoing, the Parties agree as follows.

Each of the foregoing recitals and definitions is incorporated by reference herein and made a part hereof.

A. General Terms

1. Within fifteen (15) days of the Settlement Execution Date, the parties shall jointly request that the United States Court of Appeals for the Ninth Circuit dismiss the Interlocutory Ninth Circuit Appeals and Cross Appeals, with each side to bear their own costs including but not limited to costs previously awarded by any appellate court in these cases. Within fifteen (15) days of the date that the Ninth Circuit dismisses the appeals in this matter, the parties shall jointly submit this Settlement to the United States District Court for the Central District of California and request that the Court approve it.

2. Within thirty (30) days of receiving notice of the district court’s approval of this Settlement as described in Paragraph III.A.1, DHCS shall send a written request to CMS for approval to forgo seeking recoupment of DHCS’s Claimed Excess Payments to Medicaid providers without jeopardizing any federal financial participation (FFP). However, DHCS may request to retain the right to apply the 2008 AB 5 Reductions, 2009 AB 5 Reductions, and AB 1183 Reductions, to the extent that implementation of such reductions was previously approved by CMS, with respect to any Opt Out Provider. Within 5 business days of its receipt of CMS’s

decision to approve or reject, in whole or in part, its request, DHCS shall notify all plaintiffs' counsel in writing by email to their known email addresses of that occurrence and provide a copy of CMS's response.

3. Within thirty (30) days of the Settlement Effective Date, all plaintiffs in the Applicable Cases shall file a dismissal of all actions in the Applicable Cases, with prejudice, each party to bear their own costs, including any costs that may have been previously awarded or by any court in these proceedings. The parties stipulate that any order of dismissal shall state that the district court retains jurisdiction to entertain any application for attorneys' fees as described in Part III.C and for purposes of enforcement of this Agreement and for such period as described in Part III.D.17.

4. Within thirty (30) days of the Settlement Effective Date, CHA shall send a notice to all current hospital members, and any hospital that was a prior member of CHA during any period on or after July 1, 2008, by registered or certified mail, return-receipt requested, to their last known address, that advises them: (a) of the terms of this Settlement; (b) that they may "opt out" of the settlement by filing their own lawsuit(s), in their own name(s), challenging any one or all of the 2008 AB 5 Reductions, 2009 AB 5 Reductions, or AB 1183 Reductions for any or all hospital services, including without limitation Non-Contract hospital inpatient services, DP/NF services, or hospital outpatient services, and/or the federal government's approval of these reductions, provided that they file any such individual action within forty-five (45) days of when the notice was mailed to them; and (c) that, if a hospital does file such an individual action challenging one or more of these payment reductions, then it will lose the benefits of this Settlement, and DHCS will have the right under this Agreement to seek recoupment of any payment to that provider that constitutes or constituted a DHCS's Claimed Excess Payment.

Counsel for CHA shall meet and confer with DHCS's counsel regarding the wording of the notice; in the event that the parties are unable to reach agreement on such wording, the matter shall be submitted to the United States District Court for the Central District of California for resolution. Within fourteen (14) days of sending the notice provided in this paragraph, CHA shall file a proof of service regarding that notice with the United States District Court for the Central District of California, and attach thereto true and accurate copies of all executed return receipts. If any notices are returned to CHA as nondeliverable, CHA shall also include photocopies of such returned notices as attachments to its proof of service.

5. With respect to any individual lawsuit filed by a hospital as described in Paragraph III.A.4 that complies with the 45-day time period set forth therein: (1) DHCS shall waive, and not assert, any collateral estoppel or res judicata defense, based on the dismissals, the Settlement, or the Settlement Agreement; and (2) any such lawsuit shall be treated as if it was filed on May 5, 2008 with respect to the 2008 AB 5 Reductions, September 30, 2010 with respect to the AB 1183 Reductions, and June 30, 2011 with respect to the 2009 AB 5 Reductions, for statute-of-limitations and laches purposes. Except as provided in this paragraph, DHCS shall retain any and all defenses that may be available to it in such cases and to such claims. Nothing in this Settlement Agreement shall extend the time for the filing of any administrative action by an Opt Out Provider. Nothing in the Settlement, the Settlement Agreement, or any dismissal in this matter, shall have any collateral estoppel or res judicata effect on *CHA v. Shewry*, No. CPF-03-503772 (S.F. Super. Ct.); *CHA v. Shewry*, No. CPF-08-508578 (S.F. Super. Ct.); *CHA v. Douglas*, CPF-12-512379 (S.F. Super. Ct.) (collectively, the "CHA Cases"), and no Party shall assert otherwise. The CHA Cases shall not be included in Plaintiff Released Claims.

6. Other than hospitals as provided in Paragraphs III.A.4, no Settling Plaintiff shall seek to continue to litigate their claims in the Applicable Cases, institute any new lawsuit or claim challenging the 2008 AB 5 Reductions, 2009 AB 5 Reductions, or AB 1183 reductions in any forum, or otherwise seek to opt out of this Settlement.

7. DHCS shall retain the right to seek recoupment of any payments that constitutes or constituted DHCS's Claimed Excess Payments from any Opt Out Provider.

8. DHCS hereby confirms that it has never had, and does not currently have, any intention to seek recoupment from providers for services rendered during any period in which 2008 AB 5, 2009 AB5, or AB1183 were enjoined, and for which DHCS chose to withdraw its request for SPA approvals for reductions during those periods, including but not limited to the additional money that DHCS was required to pay to physicians, clinics, optometrists, pharmacies, optometrists, and adult day health care centers for services rendered July 1, 2008-August 17, 2008 pursuant to the amended preliminary injunction issued by Judge Snyder, dated January 22, 2010. DHCS hereby confirms, represents, warrants, and agrees that DHCS will not seek recoupment with respect to the reductions described above for time periods in which it withdrew its request for, and did not receive, SPA approval, nor will it otherwise seek to enforce the reductions described above for those periods. No Settling Plaintiff may quote, cite, reference, or otherwise rely upon this Paragraph, or any portion of it, in connection with any motion for attorney's fees.

B. Releases

1. Effective on the Settlement Effective Date, all Settling Plaintiffs shall release the State Released Entities and the Federal Released Entities from any and all liability, derivative or otherwise, for all of the Plaintiff Released Claims, excluding any claims that any individual

Medi-Cal provider may have relating exclusively to the accuracy of the computation by DHCS of the reimbursement due to that provider under applicable law.

2. Effective on the Settlement Effective Date, DHCS shall release the Settling Plaintiffs from any and all liability for DHCS's Released Claims for Payments, and shall not seek to recoup DHCS's Claimed Excess Payments, except that DHCS shall not release its claims to recoup DHCS's Claimed Excess Payments from any Opt Out Provider.

C. Attorneys' Fees and Costs

1. The Parties shall each pay their own fees and costs, including but not limited to any costs incurred and/or awarded in any appellate proceeding, except as expressly set forth herein.

a. No earlier than the Settlement Effective Date, and no later than thirty (30) days after the Settlement Effective Date, plaintiffs and their attorneys Lynn Carman and Stanley Friedman may file (an) application(s), together or separately, for attorneys' fees for services performed in litigating *Independent Living Center of Southern California v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. 2:08-cv-03315 CAS (MANx), and *Independent Living Center of Southern California v. Maxwell-Jolly*, United States District Court for the Central District of California, Case No. 2:09-CV-00382-CAS (MANx), including any proceeding in these cases before the Judicial Council on Multidistrict Litigation, the Ninth Circuit Court of Appeals, or the Supreme Court. DHCS may oppose any such request and retains any and all arguments and defenses that it may have to an award of attorneys' fees and to the amount of such award that may be claimed.

b. No earlier than the Settlement Effective Date, and no later than thirty (30) days after the Settlement Effective Date, intervenors and the law firm of Hooper, Lundy & Bookman, P.C., may file an application for attorneys' fees for services performed in litigating

Independent Living Center of Southern California v. Maxwell-Jolly, United States District Court for the Central District of California, Case No. 2:08-cv-03315 CAS (MANx), including any appellate proceedings in this case. DHCS may oppose any such request and retains any and all arguments and defenses that it may have to an award of attorneys fees and to the amount of such award that may be claimed.

c. No earlier than the Settlement Effective Date, and no later than thirty (30) days after the Settlement Effective Date, any plaintiffs' attorney who has appeared in one or more of the Applicable Cases may file an application for attorneys fees under the "common benefit" theory (as described in *Mills v. Electric Auto-Lite Co.*, 396 U.S. 375, 392-96 (1970)) or any other theory for services performed in litigating the relevant case(s), provided that such application shall seek payment exclusively and directly from any Medicaid providers that purportedly obtained a benefit from counsel's work, and not from DHCS or any of the State Released Entities. In connection with any such application, plaintiffs counsel shall not assert any argument that would require DHCS or any other state agency to utilize its resources or modify its internal practices to assist plaintiffs' counsel in collecting any fee award that the court may grant. Further, any plaintiffs' counsel who makes such an application shall fully indemnify the State Released Parties and hold them harmless as to any claims asserted by any provider who may be ordered by the court to pay fees to counsel in connection with work done on the Applicable Cases, provided such indemnification obligation shall not exceed the actual attorneys fee recovery of such counsel pursuant to an award of fees as described in this Paragraph.

2. Except as provided in Paragraph III.C.1 *supra*, the Settling Plaintiffs and their counsel release DHCS for any attorneys' fees incurred in connection with the Applicable Cases.

D. Other Terms

1. In the event that this Settlement Agreement is not finally approved by the United States District Court for the Central District of California, as provided in Paragraph III.A.1, *supra*, the Parties shall be restored to their respective positions as of the date when this Settlement Agreement is signed, except that the dismissed Interlocutory Ninth Circuit Appeals and Cross-Appeals shall remain dismissed. In this event, the terms and provisions of this Settlement Agreement shall have no further force and effect with respect to the Parties and shall not be used in any action or in any other proceeding for any purpose, and any judgment or order entered by the United States District Court for the Central District of California in accordance with the terms of this Settlement Agreement shall be treated as vacated, nunc pro tunc.

2. If CMS does not act upon DHCS's request to forgo recoupment of DHCS's Claimed Excess Payments to Medicaid providers, as provided in Paragraph III.A.2, *supra* within 180 days from when DHCS submits its request, then any of the Parties, individually or collectively, may elect to terminate the Settlement by providing written notice to all the other Parties in the manner set forth in Paragraph III.D.18, *infra*. If any Party or Parties exercise their right to terminate the Settlement pursuant to this Paragraph, then the Parties shall be restored to their respective positions as of the date when this Settlement Agreement is signed, except that the dismissed Interlocutory Ninth Circuit Appeals and Cross-Appeals shall remain dismissed. Subject only to this exception (i.e., continued dismissal of the Interlocutory Ninth Circuit Appeals and Cross-Appeals), the terms and provisions of this Settlement Agreement shall have no further force and effect with respect to the Parties and shall not be used in any action or in any other proceeding for any purpose, and any judgment or order entered by the United States District Court for the Central District of California in accordance with the terms of this Settlement Agreement shall be treated as vacated, nunc pro tunc.

3. In the event that CMS completely rejects DHCS's request to forgo recoupment of DHCS's Claimed Excess Payments to Medicaid providers, as provided in Paragraph III.A.2, *supra*, the Parties shall be restored to their respective positions as of the date when this Settlement Agreement is signed, except that the dismissed Interlocutory Ninth Circuit Appeals and Cross-Appeals shall remain dismissed. Subject only to this exception (i.e., continued dismissal of the Interlocutory Ninth Circuit Appeals and Cross-Appeals), the terms and provisions of this Settlement Agreement shall have no further force and effect with respect to the Parties and shall not be used in any action or in any other proceeding for any purpose, and any judgment or order entered by the United States District Court for the Central District of California in accordance with the terms of this Settlement Agreement shall be treated as vacated, nunc pro tunc.

4. In the event that CMS partially, but not fully, approves DHCS's request to forgo recoupment of DHCS's Claimed Excess Payments to Medicaid providers, as provided in Paragraph III.A.2, *supra*, DHCS shall have the option of terminating this Settlement, as follows:

a. Within thirty (30) days of receiving notice of CMS's decision to only partially approve its request, DHCS shall notify plaintiffs' counsel, as provided in Paragraph III.D.18, *infra*, of whether it is continuing with, or terminating, the Settlement.

b. If DHCS exercises its option to terminate the Settlement, the Parties shall be restored to their respective positions as of the date when this Settlement Agreement is signed, except that the dismissed Interlocutory Ninth Circuit Appeals and Cross-Appeals shall remain dismissed. Subject only to this exception (i.e., continued dismissal of the Interlocutory Ninth Circuit Appeals and Cross-Appeals), the terms and provisions of this Settlement Agreement shall have no further force and effect with respect to the Parties and shall not be used in any action or

in any other proceeding for any purpose, and any order entered by the United States District Court for the Central District of California in accordance with the terms of this Settlement Agreement shall be treated as vacated, nunc pro tunc.

5. If this Settlement Agreement is approved by the court as provided in Paragraph III.A.1.a, *supra*, and if CMS fully approves DHCS's request to forgo recoupment as provided in Paragraph III.A.2, *supra*, or, if CMS partially, but not fully, approves DHCS's request but DHCS nevertheless does not exercise its option to terminate this Agreement (as provided in Paragraph III.D.4, *supra*), then DHCS also shall agree not to implement the 2009 AB 5 Reductions and AB 1183 Reductions as to DP/NF services provided and/or prescription drugs dispensed by Medicaid providers on or after June 1, 2011, in the event that superseding statutory reductions as to such services are or remain under court injunction. *See Order Granting Preliminary Injunction, California Hospital Association v. Douglas*, No. 11-9078 CAS (MANx) (C.D. Cal. Dec. 28, 2011).

6. No order of a court pertaining to an application for attorneys' fees as set forth in Paragraph C, *supra*, or modification or reversal on appeal of any court order concerning any application for attorneys' fees awarded to any of plaintiff's counsel, shall constitute grounds for cancellation, modification or termination of this Agreement, and neither the Parties nor plaintiff's counsel shall request or suggest any such relief.

7. Notwithstanding any failure to obtain final court or federal approval as contemplated by this Agreement, and notwithstanding any other termination of this Agreement, any agreements made and orders entered during the course of the settlement negotiations relating to the confidentiality of information shall survive.

8. This Settlement Agreement is executed without reliance upon any representation by any of the named plaintiffs and intervenors in the Applicable Cases, and their agents, on the one hand, and DHCS or its agents on the other hand, concerning the nature or extent of any damages or legal liability, and all Parties have read the contents hereof, have been fully advised by counsel as to the consequences thereof, and have signed the same as a free act.

9. Each Party executing this Agreement received independent legal advice from its counsel regarding the meaning and legal effect of this Settlement Agreement, the advisability of making the agreements provided for herein, and the execution of this Settlement Agreement, and fully understand the same. Each Party executing this Settlement Agreement has the full right and authority to enter into this Agreement on behalf of itself, or any person or entity on behalf of whom it enters into this Agreement in a representative capacity, and to bind fully such person or entity to the terms and obligations of this Settlement Agreement. The Parties executing this Agreement have full power to enter into this Settlement Agreement and have not heretofore assigned, transferred, or encumbered, or purported to assign, transfer, or encumber, voluntarily or involuntarily, to any person or entity, all or any portion of the obligations or rights which are the subject of this Settlement Agreement.

10. None of the Parties shall be considered to be the drafter of this Settlement Agreement or any provision hereof for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof. This Settlement Agreement was drafted with substantial input by all Parties and their counsel, and no reliance was placed on any representations other than those contained herein.

11. The terms set forth in this Agreement constitute the entire Agreement and are not subject to modification except by a writing signed by all of the Parties through their respective counsel.

12. The Parties agree to execute all documents that may be necessary to effectuate the purpose of this Agreement.

13. This Agreement shall be used solely for the following purposes, and for no other purpose: (1) settlement; (2) enforcement of the terms of this Agreement; and (3) in an action for breach of this Agreement.

14. This Agreement may be executed through the use of two or more counterparts, each of which will be deemed an original, and together shall constitute one written instrument. Photographic or facsimile copies of signed counterparts may be used in lieu of the originals for any purpose and shall have the same force and effect as an original ink signature.

15. The Settling Parties acknowledge that this Agreement (and any order that may incorporate its terms) is based on a compromise of disputed claims and does not constitute an admission by any of the Settling Parties as to any of the Settling Parties' claims or defenses in any of the Applicable Cases referenced in this Agreement.

16. This entire Settlement Agreement, and all of its obligations, shall fully terminate upon the first of the following:

a. Termination of this Settlement Agreement for lack of court approval as set forth in Paragraph III.D.1, *supra*;

b. Termination of the Settlement on a Party's (Parties') election because CMS failed to act upon DHCS's request to forgo recoupment of DHCS's Claimed Excess Payments as set forth in Paragraph III.D.2, *supra*.

c. Termination of this Settlement Agreement because CMS disapproves entirely DHCS's request to forgo recoupment of DHCS's Claimed Excess Payments made to Medicaid Providers, as set forth in Paragraph III.D.3, *supra*; and

d. Termination of this Settlement Agreement because CMS only partially disapproves DHCS's request to forgo recoupment of DHCS's Claimed Excess Payments made to Medicaid Providers, and DHCS exercises its option to terminate the Settlement, as set forth in Paragraph III.D.4, *supra*.

In addition, the district court's continuing jurisdiction, as set forth in Part III.D.17, shall terminate on the earlier of the following.

a. Completion of all of the parties' respective obligations under this Settlement Agreement; or

b. The arrival of January 1, 2016.

The Parties further agree that, upon the occurrence of any event set forth above in this Paragraph, no court will retain any jurisdiction over this Settlement Agreement, and the parties will not seek to either extend or enforce any court's jurisdiction over this Settlement Agreement beyond the time at which any of the events set forth in this Paragraph have occurred.

Notwithstanding the foregoing, following a termination of this Settlement Agreement as described in this Paragraph, the jurisdiction of United States District Court for the Central District of California shall remain in full force and effect for any actions, disputes, claims or controversies regarding the validity, enforcement, interpretation or breach of this Settlement Agreement to the extent they relate to any period of time in which this Settlement Agreement was in effect.

17. The Parties agree to submit to the continuing jurisdiction of the United States District Court for the Central District of California, (1) with respect to any motion for attorney's fees as contemplated by Part III.C., and (2) in any motion or proceeding brought or filed by any named plaintiff in any of the Applicable Cases to enforce this Settlement Agreement, up to and including January 1, 2016. The Parties agree to the court's continuing jurisdiction solely as a means for expediting the resolution of any disputes that may arise, and do not intend for their agreement to submit to the court's jurisdiction as described in this Paragraph to be a factor for the district court to consider in assessing any application for attorneys' fees as described in Part III.C., *supra*, and no Party shall argue otherwise.

18. All notices to the Parties that this Agreement may require or permit shall be made in writing and shall be sufficiently served if personally delivered or sent by certified or registered mail, return receipt requested, postage prepaid, addressed to the parties as set forth below:

a. The Plaintiffs and Intervenors:

Lloyd A. Bookman
Hooper, Lundy & Bookman, P.C.
1875 Century Park East
Suite 1600
Los Angeles, California 90067
lbookman@health-law.com

Craig Cannizzo
Hooper, Lundy & Bookman, P.C.
575 Market Street, Suite 2300
San Francisco, California 94105
ccannizzo@health-law.com

Lynn S. Carman
Medicaid Defense Fund
404 San Anselmo Ave.
San Anselmo, California 94960
lynns carman@hotmail.com

Stanley L. Friedman
445 S. Figueroa Street, 27th Floor
Los Angeles, California 90071
friedman@friedmanlaw.org

b. DHCS:

Susan Carson
Greg Brown
Office of the Attorney General
455 Golden Gate Ave., Suite 11000
San Francisco, California 94102
Susan.Carson@doj.ca.gov
Gregory.Brown@doj.ca.gov

Douglas Press
Chief Counsel
Department of Health Care Services
Office of Legal Services
MS 0011
PO Box 997413
Sacramento, California 95899-7413

Notice shall be deemed given on the date of personal delivery or, if served by mail, upon the date stamped by the postal service on the return receipt. Any Party may change its address for notice by notifying all of the other parties of the change of address in writing in accordance with the provisions of this subparagraph.

19. This Settlement Agreement may be signed in counterparts. This Settlement Agreement shall be signed by each named plaintiff in the Applicable Cases, who agree to be bound thereby. However, an attorney may sign on behalf of a named plaintiff if authorized to do so by that named plaintiff, and any attorney who so signs warrants and represents that he/she has full authority to bind the named plaintiff on whose behalf he/she signs.

20. This Agreement, along with any exhibits, appendices, addendums, schedules, and amendments hereto, encompasses the entire agreement of the Parties, and supersedes all previous understandings and agreements between the Parties, whether oral or written. No prior versions

of this Agreement, or written proposals of any party, are admissible in any court for any purpose, including but not limited to use to interpret the meaning of this Agreement. This Agreement is the product of drafting by all the Settling Parties and, in construing this Agreement, no Party shall have any term or provision hereof construed against it solely by reason of such party having drafted this Agreement or any portion of it.

For: Acacia Adult Day Services

By: Mallory Vega
Name: Mallory Vega
Title: Executive Director
Date: March 10, 2014

For: American College of Emergency
Physicians, State Chapter of California, Inc.

By: _____
Name: _____
Title: _____
Date: _____

For: California Association for Adult Day
Services

By: _____
Name: _____
Title: _____
Date: _____

For: California Association of Medical Product
Suppliers

By: _____
Name: _____
Title: _____
Date: _____

For: Acacia Adult Day Services

By: _____

Name: _____

Title: _____

Date: _____

For: American College of Emergency
Physicians, State Chapter of California, Inc.

By: EL _____

Name: Elena Lopez-Gutman

Title: Executive Director

Date: April 8, 2014

For: California Association for Adult Day
Services

By: _____

Name: _____

Title: _____

Date: _____

For: California Association of Medical Product
Suppliers

By: _____

Name: _____

Title: _____

Date: _____

For: Acacia Adult Day Services

By: _____

Name: _____

Title: _____

Date: _____

For: American College of Emergency
Physicians, State Chapter of California, Inc.

By: _____

Name: _____

Title: _____

Date: _____

For: California Association for Adult Day
Services

By:  _____

Name: LYDIA MISSAELIDES

Title: EXECUTIVE DIRECTOR

Date: 3/07/2014

For: California Association of Medical Product
Suppliers

By: _____

Name: _____

Title: _____

Date: _____

For: Acacia Adult Day Services

By: _____

Name: _____

Title: _____

Date: _____

For: American College of Emergency
Physicians, State Chapter of California, Inc.

By: _____

Name: _____

Title: _____

Date: _____

For: California Association for Adult Day
Services

By: _____

Name: _____

Title: _____

Date: _____

For: California Association of Medical Product
Suppliers

By:  _____

Name: ROBERT ACKERMANN

Title: EXECUTIVE DIRECTOR

Date: 3/18/14

For: California Association of Public Hospitals
and Health Systems

By: 

Name: ERICA MURRAY

Title: PRESIDENT & CEO

Date: 4/4/14

For: California Dental Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Hospital Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Medical Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Association of Public Hospitals
and Health Systems

By: _____

Name: _____

Title: _____

Date: _____

For: California Dental Association

By: _____

Name: Peter A. DuBois

Title: Executive Director

Date: March 17, 2014

For: California Hospital Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Medical Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Association of Public Hospitals
and Health Systems

By: _____

Name: _____

Title: _____

Date: _____

For: California Dental Association

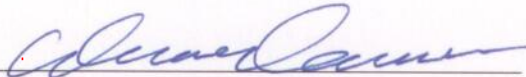
By: _____

Name: _____

Title: _____

Date: _____

For: California Hospital Association

By:  _____

Name: C. Duane Dauner

Title: President/CEO

Date: March 31, 2014

For: California Medical Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Association of Public Hospitals
and Health Systems

By: _____

Name: _____

Title: _____

Date: _____

For: California Dental Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Hospital Association

By: _____

Name: _____

Title: _____

Date: _____

For: California Medical Association

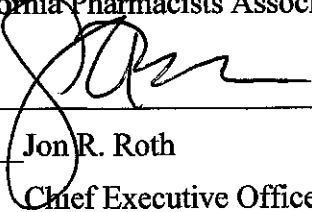
By:  _____

Name: Dustin Corcoran

Title: CEO

Date: 3/12/14

For: California Pharmacists Association

By:  _____

Name: Jon R. Roth

Title: Chief Executive Officer

Date: 3/10/14

For: Farmacia Remedios, Inc. *

By: _____

Name: _____

Title: _____

Date: _____

For: Charles Gallagher

By: _____

Name: _____

Title: _____

Date: _____

For: Fey Garcia

By: _____

Name: _____

Title: _____

Date: _____

* Farmacia Remedios, Inc. no longer exists, and the corporate form of the original plaintiff is no longer recognized by the State of California or the state of incorporation (Delaware).

For: California Pharmacists Association

By: _____

Name: _____

Title: _____

Date: _____

For: Farmacia Remedios, Inc.

By: _____

Name: _____

Title: _____

Date: _____

For: Charles Gallagher

By: Charles Gallagher

Name: Charles Gallagher

Title: ARDS Participant

Date: 3-17-14

For: Fey Garcia

By: _____

Name: _____

Title: _____

Date: _____

For: California Pharmacists Association

By: _____

Name: _____

Title: _____

Date: _____

For: Farmacia Remedios, Inc.

By: _____

Name: _____

Title: _____

Date: _____

For: Charles Gallagher

By: _____

Name: _____

Title: _____

Date: _____

For: Felix Garcia

By: Felix P. Garcia

Name: FE P. GARCIA

Title: _____

Date: April 8, 2014

For: Grossmont Hospital Corporation

By: 

Name:

CARLISLE C. LEWIS III

Title:

ASSISTANT SGT

Date:

3/21/2014

For: Marin Apothecary, Inc. d/b/a Ross Valley
Pharmacy

By: _____

Name: _____

Title: _____

Date: _____

For: Theodore M. Mazer, M.D.

By: _____

Name: _____

Title: _____

Date: _____

For: Ronald B. Mead, D.D.S.

By: _____

Name: _____

Title: _____

Date: _____

For: Grossmont Hospital Corporation

By: _____
Name: _____
Title: _____
Date: _____

For: Marin Apothecary, Inc. d/b/a Ross Valley Pharmacy

By: Paul W. Lofgren
Name: Paul whoholme pharm?
Title: President
Date: 3/11/14

For: Theodore M. Mazer, M.D.

By: _____
Name: _____
Title: _____
Date: _____

For: Ronald B. Mead, D.D.S.

By: _____
Name: _____
Title: _____
Date: _____

For: Grossmont Hospital Corporation

By: _____

Name: _____

Title: _____

Date: _____

For: Marin Apothecary, Inc. d/b/a Ross Valley
Pharmacy

By: _____

Name: _____

Title: _____

Date: _____

For: Theodore M. Mazer, M.D.

By:  _____

Name: Theodore Mazer MD

Title: Speaker of the House

Date: 4/10/14

For: Ronald B. Mead, D.D.S.

By: _____

Name: _____

Title: _____

Date: _____

For: Grossmont Hospital Corporation

By: _____
Name: _____
Title: _____
Date: _____

For: Marin Apothecary, Inc. d/b/a Ross Valley
Pharmacy

By: _____
Name: _____
Title: _____
Date: _____

For: Theodore M. Mazer, M.D.

By: _____
Name: _____
Title: _____
Date: _____

For: Ronald B. Mead, D.D.S.

By: RM
Name: Ronald B. Mead
Title: DENTIST
Date: 3/13/14

For: Sacramento Family Medical Clinics

By: Gilbert Simon, MD
Name: GILBERT SIMON, MD
Title: MEDICAL DIRECTOR
Date: 3/10/14

For: South Sacramento Pharmacy

By: _____
Name: _____
Title: _____
Date: _____

For: Sharp Chula Vista Medical Center

By: _____
Name: _____
Title: _____
Date: _____

For: Sharp Coronado Hospital and Healthcare Center

By: _____
Name: _____
Title: _____
Date: _____

(2) of 2

For: Sacramento Family Medical Clinics

By: _____

Name: _____

Title: _____

Date: _____

For: South Sacramento Pharmacy

By: Frank Cable

Name: Frank Cable

Title: Owner

Date: 3/11/2014

For: Sharp Chula Vista Medical Center

By: _____

Name: _____

Title: _____

Date: _____

For: Sharp Coronado Hospital and Healthcare
Center

By: _____

Name: _____

Title: _____

Date: _____

For: Sacramento Family Medical Clinics

By: _____

Name: _____

Title: _____

Date: _____

For: South Sacramento Pharmacy

By: _____

Name: _____

Title: _____

Date: _____

For: Sharp Chula Vista Medical Center

By:  _____

Name: Candice C. Lewis, M.D.

Title: Asst Secy

Date: 3-21-2014

For: Sharp Coronado Hospital and Healthcare Center

By:  _____

Name: Candice C. Lewis, M.D.

Title: Asst Secy

Date: 3-21-2014

For: Sharp Memorial Hospital

By: 

Name: Carolee C. Lewis, III

Title: Asst Secy

Date: 3-21-2014

Lynn S. Carman

Date: _____

Stanley L. Friedman

Date: _____

for Independent Living Center of Southern California, Inc.;
Gray Panthers of Sacramento; Gray Panthers of San Francisco;
Gerald Shapiro, Pharm. D., doing business as Uptown
Pharmacy and Gift Shoppe; Sharon Steen, doing business as
Central Pharmacy; Mark Beckwith; Margaret Dowling; Tran
Pharmacy, Inc., doing business as Tran Pharmacy; California
Association For Health Services at Home; California Medical
Transportation Association, Inc.; and Managed Pharmacy
Care.

For: Toby Douglas, in his official capacity as Director of the
California Department of Health Care Services, and the
California Department of Health Care Services

Toby Douglas
Director, California Department of Health Care Services

Date: _____

For: Sharp Memorial Hospital

By: _____

Name: _____

Title: _____

Date: _____



Lynn S. Carman

Date: 3/18/14

Stanley L. Friedman

Date: _____

for Independent Living Center of Southern California, Inc.; Gray Panthers of Sacramento; Gray Panthers of San Francisco; Gerald Shapiro, Pharm. D., doing business as Uptown Pharmacy and Gift Shoppe; Sharon Steen, doing business as Central Pharmacy; Mark Beckwith; Margaret Dowling; Tran Pharmacy, Inc., doing business as Tran Pharmacy; California Association For Health Services at Home; California Medical Transportation Association, Inc.; and Managed Pharmacy Care.

For: Toby Douglas, in his official capacity as Director of the California Department of Health Care Services, and the California Department of Health Care Services

Toby Douglas

Director, California Department of Health Care Services

Date: _____

For: Sharp Memorial Hospital

By: _____


Name: _____

Title: _____

Date: _____

Lynn S. Carman

Date: _____


Stanley L. Friedman

Date: March 18, 2014

for Independent Living Center of Southern California, Inc.;
Gray Panthers of Sacramento; Gray Panthers of San Francisco;
Gerald Shapiro, Pharm. D., doing business as Uptown
Pharmacy and Gift Shoppe; Sharon Steen, doing business as
Central Pharmacy; Mark Beckwith; Margaret Dowling; Tran
Pharmacy, Inc., doing business as Tran Pharmacy; California
Association For Health Services at Home; California Medical
Transportation Association, Inc.; and Managed Pharmacy
Care.

For: Toby Douglas, in his official capacity as Director of the
California Department of Health Care Services, and the
California Department of Health Care Services

Toby Douglas
Director, California Department of Health Care Services

Date: _____

For: Sharp Memorial Hospital

By: _____

Name: _____

Title: _____

Date: _____

Lynn S. Carman

Date: _____

Stanley L. Friedman

Date: _____

for Independent Living Center of Southern California, Inc.;
Gray Panthers of Sacramento; Gray Panthers of San Francisco;
Gerald Shapiro, Pharm. D., doing business as Uptown
Pharmacy and Gift Shoppe; Sharon Steen, doing business as
Central Pharmacy; Mark Beckwith; Margaret Dowling; Tran
Pharmacy, Inc., doing business as Tran Pharmacy; California
Association For Health Services at Home; California Medical
Transportation Association, Inc.; and Managed Pharmacy
Care.

For: Toby Douglas, in his official capacity as Director of the
California Department of Health Care Services, and the
California Department of Health Care Services



Toby Douglas
Director, California Department of Health Care Services

Date: 3118/14

Approved as to form:

HOOPER, LUNDY & BOOKMAN, P.C.


Craig J. Cannizzo

April 28, 2014

OFFICE OF THE ATTORNEY GENERAL

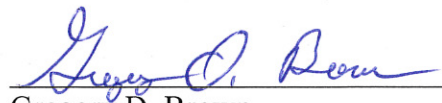
Gregory D. Brown
Deputy Attorney General

Approved as to form:

HOOPER, LUNDY & BOOKMAN, P.C.

Craig J. Cannizzo

OFFICE OF THE ATTORNEY GENERAL

 3/18/14

Gregory D. Brown

Deputy Attorney General