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November 9, 2025

Honorable Brian M. Hoffstadt, Presiding Justice
Honorable Lamar W. Baker, Associate Justice
Honorable Carl H. Moor, Associate Justice
Court of Appeal
Second Appellate District, Division Five
300 S. Spring Street
Los Angeles, California

Re: B334746
Prime Healthcare Centinela, LLC v. United Healthcare Insurance Company
Opposition to Request for Publication

Honorable Justices:

The **CALIFORNIA HOSPITAL ASSOCIATION** respectfully **opposes** the request by the California Association of Health Plans (CAHP) that this Court order the publication of its opinion filed October 20, 2025.

Introduction

Key authorities support direct actions against health insurers by out-of-network hospitals seeking quantum meruit (reasonable value) for emergency services provided to insured patients: (1) subdivision (d) of Health and Safety Code section 1317; and (2) caselaw recognizing common-law actions for quantum meruit.

But those authorities—found outside the Insurance Code—are not addressed in the Court's opinion. An appellate court "may affirm the sustaining of a demurrer only if the complaint fails to state a cause of action under any possible legal theory." (*Sheehan v. San Francisco 49ers, Ltd.* (2009) 45 Cal.4th 992, 998; *Fox v. Ethicon Endo–Surgery, Inc.* (2005) 35 Cal.4th 797, 810.) The opinion should not be published, thereby setting precedent that bars actions against health insurers by out-of-network hospitals and physicians providing emergency services, without exploring each plausible "possible legal theory" to support such an action.

Under the circumstances, the California Hospital Association respectfully requests that the Court maintain its designation of the opinion as unpublished.

Key authorities not discussed in the opinion support direct actions by medical providers against health insurers to recover the reasonable value of emergency services

1. Health and Safety Code section 1317, subdivision (d), implies that providers may pursue health insurers

Health and Safety Code section 1317 requires hospitals that maintain and operate emergency departments to provide emergency services and care to anyone who presents in need:

> Emergency services and care shall be provided to any person requesting the services or care, or for whom services or care is requested, for any condition in which the person is in danger of loss of life, or serious injury or illness, at any health facility licensed under this chapter that maintains and operates an emergency department to provide emergency services to the public when the health facility has appropriate facilities and qualified personnel available to provide the services or care.

(*Id.*, subd. (a); *County of Santa Clara v. Superior Court* (2023) 14 Cal.5th 1034, 1037 (*County of Santa Clara*).)

Once emergency services have been provided, the patient or another responsible person must execute an agreement to pay. (Health & Saf. Code, § 1317, subd. (d).) But if a patient has **insurance**, subdivision (d) of section 1317 provides that the patient may instead supply the hospital with "insurance … information":

> Emergency services and care shall be rendered without first questioning the patient or any other person as to his or her ability to pay therefor. However, **the patient** or his or her legally responsible relative or guardian **shall execute an agreement to pay** therefor ***or otherwise supply insurance*** or credit ***information*** promptly after the services are rendered.

(Health & Saf. Code, § 1317, subd. (d), emphasis added.)

In *Prospect Medical Group, Inc. v. Northridge Emergency Medical Group* (2009) 45 Cal.4th 497, 506, the Supreme Court cited subdivision (d) of section 1317 as one of the grounds for its holding that providers are barred from "balance billing" patients enrolled in health care service plans.

> Other provisions point in the same direction. Section 1317, subdivision (d), which requires emergency room doctors to render emergency care without questioning a patient's ability to pay, also provides that "the patient or his or her legally responsible relative or guardian shall execute an agreement to pay [for the services] or o*therwise supply insurance* or credit *information* promptly after the services are rendered." (Italics added.) This provision implies that once patients who are members of an HMO provide insurance information, they have satisfied their obligation towards the doctors.

(*Id.* at p. 506, emphasis in Supreme Ct. opn.)

The Legislature did not prescribe an idle act; a patient supplies "insurance … information" to the hospital so it can **pursue** the insurer for payment. Thus, following the Supreme Court's interpretation, once a patient supplies valid insurance information, the provider of emergency services has recourse against the insurer instead of the patient. The Supreme Court's citation of additional grounds for its holding, that balance billing is barred, does not permit a court to deny or invalidate the Supreme Court's reliance on section 1317, subdivision (d).

By its terms, section 1317, subdivision (d), applies as much to health "insurance" as it does to enrollment in a health plan. But this Court's opinion assumes that hospitals may "balance bill" patients with health insurance; citing *Prospect*, it suggests that only the Knox–Keene Health Care Service Plan Act of 1975 (Knox–Keene Act) (Health & Saf. Code, § 1340 et seq.), which governs health care service plans, bars balance billing. (See opn. pp. 8–9, 18 & fn. 10.) But as shown, *Prospect* also cited section 1317, subdivision (d), which is **not** part of the Knox–Keene Act.

When holding health plans liable for the reasonable value of emergency services, *Bell* cited section 1317, subdivision (d) (in addition to Health & Saf. Code, § 1371.4) and explained that imposing a duty on medical providers to provide emergency services carries with it a right to reasonable compensation.

> [T]he health care plans' duty to reimburse arises out of the providers' duty to render services …. [¶] … Blue Cross's interpretation would mean the emergency care providers could be reimbursed at a confiscatory rate that, aside from being unconscionable, would be unconstitutional. (*Cooley v. Superior Court* (2002) 29 Cal.4th 228, 252 […] [a statute should be interpreted to avoid constitutional difficulties]; *Cunningham v. Superior Court* (1986) 177 Cal.App.3d 336, 348 […] [a professional cannot be forced to give away a portion of his livelihood]; *California Gillnetters Assn. v. Department of Fish & Game* (1995) 39 Cal.App.4th 1145, 1156 […].)

> In short, the statute must be read to require reasonable reimbursement.

(*Bell v. Blue Cross of California* (2005) 131 Cal.App.4th 211, 215 & fn. 4, 220 (*Bell*) [construing "reimbursement" in § 1371.4].)

2. Caselaw recognizes a common-law action for quantum meruit

Courts have recognized common-law actions by providers of emergency services to recover quantum meruit from responsible parties. The adoption of express provisions in the Knox–Keene Act for reimbursement has not done away with common-law rights of action against health care service plans governed by the Knox–Keene Act or against health insurers outside the Knox–Keene Act. (See *Presbyterian Camp & Conference Centers, Inc. v. Superior Court* (2021) 12 Cal.5th 493, 503 ["'As a general rule, "[u]nless expressly provided, statutes should not be interpreted to alter the common law, and should be construed to avoid conflict with common law rules"'"].)

In *Bell*, the court held that a physician who provided emergency services could pursue a **common-law** claim for **quantum meruit** against a patient's health care service plan. (*Bell*, *supra*, 131 Cal.App.4th at pp. 215–218.) The court cited the Restatement (First) of Restitution (1937) section 114, which recognizes liability where, in an emergency, the plaintiff has performed the defendant's duty to take care of a third person:

> We reject Blue Cross's contention that Dr. Bell has no implied-in-law right to recover for the reasonable value of his services. "He who takes the benefit must bear the burden" (Civ. Code, § 3521), and he who has "**performed the duty of another** by supplying a third person with necessaries, although acting **without the other's knowledge or consent**, is entitled to **restitution** from the other therefore if [¶] (a) he acted unofficiously and with intent to charge therefor, and [¶] (b) the things or services supplied were immediately necessary to prevent serious bodily harm to or suffering by such person." (Rest., Restitution, § 114 (1937), ….) Dr. Bell's quantum meruit claim is sufficient for pleading purposes and thus is not subject to demurrer.

(*Id.* at p. 221, emphasis added.)

The common-law quantum-meruit doctrine cited in *Bell* entitles an out-of-network provider of emergency services to recover reasonable value from a health insurer as well as a health plan. By issuing an insurance policy that covers emergency services, a health insurer undertakes a duty to its insured to provide for emergency services.[1]

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[1] The first comment to Restatement section 114 states that it includes "not only the situations where the other is under a duty imposed by law to support a third person … but also where the other has undertaken such a duty by contract with the third person or with others." (Rest., Restitution, § 114, com. a.)

continued

A hospital does not act "officiously" when an insured patient presents at the hospital's emergency department for emergency services; in fact, the hospital **must** provide emergency services. (Health & Saf. Code, § 1317.) And, by definition, the context involves an emergency.

In *County of Santa Clara*, when discussing medical providers' right to sue for quantum meruit, the Supreme Court, too, cited section 114 of the Restatement (First) of Restitution. (*County of Santa Clara*, *supra*, 14 Cal.5th at p. 1050.) And like the court in *Bell*, the Supreme Court cited caselaw that hospitals have a right to bring "common law and other statutory causes of action"—"such as an action for quantum meruit, …." (*County of Santa Clara*, *supra*, 14 Cal.5th at p. 1044, fn. 4; *Bell supra*, 131 Cal.App.4th at pp. 216–217.)[2]

Further, the Insurance Code requires that health insurance policies cover emergency services. (Ins. Code, § 10112.27, subd. (a)(1) [both pre-and post-Jan. 1, 2026, versions] [individual and small-group policies, eff. Jan. 1, 2017]; *id.*, § 10112.281, subd. (b)(6) [large-group policies, eff. July 1, 2022].)

[2] A provider's common-law right of action to recover quantum meruit does not depend on the regulatory provision adopted under the Knox–Keene Act requiring prompt payment of "reasonable and customary value …." (See Cal. Code Regs., title 28, § 1300.71, subds. (a)(3)(B), (g).) Both *County of Santa Clara* and *Bell* cited *Coast Plaza Doctors Hospital v. UHP Healthcare* (2002) 105 Cal.App.4th 693, 706, which predated the adoption of section 1300.71 in 2003.

Thus, caselaw supports a common-law action by a provider of emergency services to recover quantum meruit from a health insurer that insured the patient with coverage for emergency services.

Interest of the California Hospital Association

The California Hospital Association, representing more than 400 hospitals throughout California, advocates for better, more accessible health care for all Californians. CHA ensures that hospitals will continue to be able to provide exceptional care to patients and comprehensive health services to communities. Established in 1935, CHA provides information, resources, and perspective to state and federal policy makers to inform decisions that affect 40 million Californians.

CHA is a nonprofit, member-driven organization, led by a 40-plus member Board of Trustees composed of the leaders of California's hospitals and health systems. (https://calhospital.org/.)

The California Hospital Association has a particular interest in preserving the ability of California hospitals to provide emergency services, including their right to recover from health insurers for emergency services provided to insured patients.

Conclusion

For these reasons, the California Hospital Association respectfully requests that this Court **deny** the request to publish the opinion filed by this Court on October 20, 2025, in *Prime Healthcare Centinela, LLC v. United Healthcare Insurance Company* (B334746).

Respectfully,

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by 
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Proof of Service

Prime Healthcare Centinela, LLC v. United Healthcare Insurance Company
Court of Appeal No. B334746 (Div. 5)
Los Angeles County Superior Court No. 22STCV08452

I am a citizen of the United States, over 18 years of age, and not a party to the within action. My primary business address is: King & Spalding LLP, 633 W. 5th Street, Suite 1600, Los Angeles, California 90071

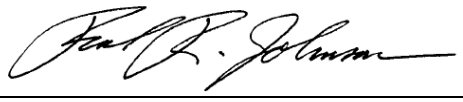
On the date set forth below, I am serving the foregoing **Opposition to Request for Publication** by causing true copies to be distributed as follows—

To all parties:

ELECTRONIC SERVICE THROUGH TRUEFILING: This document is being submitted for filing through the Supreme Court's TrueFiling service, with designation that an electronic copy be served through a link provided by email from TrueFiling to the attorneys who are registered with TrueFiling for this proceeding.

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

Executed on November 9, 2025.



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