

Thomas A. Saenz (SBN 159430) 1 Devlin Thrift-Viveros (SBN 306873) MEXICAN AMERICAN LEGAL DEFENSE AND ALAMEDA COUNTY 2 **EDUCATIONAL FUND** 634 S. Spring St., 11th Fl. 3 AUG 1 6 2021 Los Angeles, CA 90815 CLERK OF THE SUPERIOR COURT Telephone: (213) 629-2512 4 Facsimile: (213) 629-0266 Deputy Email: tsaenz@maldef.org dthrift-viveros@maldef.org Attorneys for Plaintiffs and the Putative Class 6 [Additional counsel appear after caption page] 7 8 **ROB BONTA** Attorney General of California JENNIFER G. PERKELL 9 Supervising Deputy Attorney General JOSHUA SONDHEIMER (SBN 152000) 10 HADARA STANTON (SBN 227040) DANE BARCA (SBN 294278) . 11 Deputy Attorneys General 455 Golden Gate Ave., Suite 11000 12 San Francisco, CA 94102-7004 Telephone: (415) 510-4420 13 Facsimile: (415) 703-5480 Email: Joshua.Sondheimer@doj.ca.gov 14 Attorneys for Defendants 15 SUPERIOR COURT OF THE STATE OF CALIFORNIA 16 COUNTY OF ALAMEDA 17 18 Case No. RG17867262 19 ANALILIA JIMENEZ PEREA, et al., ASSIGNED FOR ALL PURPOSES TO Plaintiffs, 20 JUDGE Winifred Y. Smith **DEPARTMENT 21** 21 V. STIPULATION AND [PROPOSED] 22 ORDER GRANTING PLAINTIFFS CALIFORNIA DEPARTMENT OF LEAVE TO FILE SUPPLEMENT TO 23 HEALTH CARE SERVICES, et al., THIRD AMENDED VERIFIED PETITION FOR WRIT OF MANDATE Defendants. 24 AND COMPLAINT FOR DECLARATORY AND INJUNCTIVE 25 RELIEF 26 27 28

Stipulation and [Proposed] Order Granting Plaintiffs Leave to File Supplement to TAC (RG17867262)

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[PROPOSED] ORDER

Pursuant to the parties' stipulation, the Court hereby ORDERS that Plaintiffs may file the proposed Supplement to Third Amended Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief, a copy of which is attached to the stipulation as Exhibit A. SO ORDERED.

7 Dated: August <u>16</u>, 2021

The Honorable Winifred Y. Smith

EXHIBIT A

	(27) (450 (20)				
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11	Attorneys for Plaintiffs and the Putative Class [Additional counsel appear on next page]				
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13	IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA				
	FOR THE COUNTY OF ALAMEDA				
14	ANALILIA JIMENEZ PEREA, SAUL	Case No. RG17867262			
15	JIMENEZ PEREA, ESTHER CASTAÑEDA,	ASSIGNED FOR ALL PURPOSES TO			
16	REBECCA BINSFELD, OFELIA JARDON, on behalf of themselves and a proposed class	JUDGE Winifred Y. Smith			
	of others similarly situated; the	DEPARTMENT 21			
17	HEALTHCARE JUSTICE DIVISION OF THE SERVICE EMPLOYEES	SUPPLEMENT TO THIRD			
18	INTERNATIONAL UNION-UNITED	AMENDED VERIFIED PETITION			
19	HEALTHCARE WORKERS WEST; ST. JOHN'S WELL CHILD & FAMILY	FOR WRIT OF MANDATE AND COMPLAINT FOR			
19	CENTER; and NATIONAL DAY LABORER	DECLARATORY AND			
20	ORGANIZING NETWORK,	INJUNCTIVE RELIEF (Code Civ. Proc. § 464)			
21	Plaintiffs,				
22	v.				
23	CALIFORNIA DEPARTMENT OF HEALTH				
24	CARE SERVICES; CALIFORNIA HEALTH AND HUMAN SERVICES AGENCY;				
	MARK GHALY, as Secretary, California				
25	Health and Human Services Agency; WILL LIGHTBOURNE, as Director, California				
26	Department of Health Care Services; and				
27	DOES ONE through TWENTY inclusive,				
	Defendants.				
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FOURTH AMENDED COMPLAINT

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	SUPPLEMENT TO THIRD AMENDED COMPLAINT

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I. INTRODUCTION

1. In the over two years since Plaintiffs filed their Third Amended Complaint, the global COVID-19 pandemic has resulted in a healthcare crisis that has further exacerbated already significant inequalities in health and economic outcomes between marginalized communities of color and the wealthy. Developments in California have underscored the devastating consequences of the State's long-term disinvestment from Medi-Cal as Latinos—who have borne the brunt of the COVID-19 pandemic in California—have come to comprise an increasing share of its participants. The effects of long-term disinvestment from Medi-Cal have been compounded by contemporary policy decisions, resulting in increased vulnerability to COVID-19 for the Latino population, and the highest infection and death rates for any large demographic group in the state.

II. FACTUAL ALLEGATIONS

A. Disinvestment from Medi-Cal Drove COVID-19's Disparate Impact on Latinos in California.

The long-term disinvestment and mismanagement of Medi-Cal detailed in the Third Amended Complaint set the stage for COVID-19's devastating impact on Latinos in California. Disinvestment from Medi-Cal has contributed to its participants disproportionately bearing untreated or improperly treated health conditions that have left them vulnerable to severe cases of COVID-19. The substandard medical care resulting from Defendants' historic disinvestment from Medi-Cal has left people with risk factors for COVID-19—including, for example, people with diabetes, asthma, and heart disease—at increased risk of negative outcomes from COVID-19. For example, from 2011 to 2018, adult Medi-Cal beneficiaries with diabetes were about twice as likely as adult diabetics with Medicare or employer-sponsored insurance to report they were "not too/not at all confident" they could control and manage their diabetes. Because Latinos make up a disproportionately large percentage of the Medi-Cal population, this increased risk has disproportionately impacted members of Latino communities and their healthcare providers.

- 3. Disinvestment from Medi-Cal has hollowed out the medical resources that provide surge capacity in the event of a pandemic. "Safety net" hospitals, which rely heavily on reimbursements from Medi-Cal, were devastated by the pandemic. These hospitals were overrun with COVID-19 patients, affecting their ability to provide care for all of their patients. Some overwhelmed hospitals were unable to transfer patients to hospitals with open beds because the receiving hospitals—who have lost confidence in Medi-Cal due to the Defendants' decades-long disinvestment from, and mismanagement of, the program as detailed in the Third Amended Complaint—were averse to accepting Medi-Cal patients. Because of this inability to transfer patients, hospitals serving the Latino community were overwhelmed by COVID-19 patients and subsequently unable to properly care for their patients. Meanwhile, hospitals that typically serve a higher proportion of privately insured patients—a whiter population—had a surplus of ICU beds available. Similarly, community clinics serving Medi-Cal participants were overwhelmed with COVID-19 patients, who were unable to access other care due to Defendants' disinvestment from Medi-Cal and the administrative burdens set forth in the Third Amended Complaint.
- 4. The access problems created by disinvestment have led to disproportionate reliance on hospitals by Medi-Cal participants. As a result, Medi-Cal participants, the majority of whom are Latino, have faced increased exposure to COVID-19 infection given the high rate of hospital-acquired COVID-19 infection, particularly during the early phase of the pandemic. For example, Medi-Cal participants have experienced substantially higher rates of preventable hospitalizations for diabetes and other chronic conditions when compared to those with private insurance. In addition, Medi-Cal participants are disproportionately likely to rely on emergency rooms as their primary source of care due to inability to access regular outpatient care.
- 5. The same problems in access to care faced by Medi-Cal participants for other treatments, detailed at length in the Third Amended Complaint, have applied to their attempts to receive care for COVID-19. For example, physicians and clinicians that might otherwise treat Medi-Cal participants with COVID-19 have refused to accept Medi-Cal for such treatment due to the corresponding reimbursement rates.

6. To the extent that access to care for both COVID-19 and other conditions was delayed for everyone due to the closure of medical offices and surging demand, such delays were significantly worse for Medi-Cal participants than the general insured population. Moreover, the consequences of postponed health care during the pandemic are falling and will continue to fall disproportionately on Medi-Cal participants. Medi-Cal participants, to a greater degree than the general insured population, faced delayed and cancelled health care appointments, and postponed treatments during the pandemic, including routine health care appointments, management of chronic conditions, and treatment for serious health issues. Pent-up demand is overwhelming the health care system, and Medi-Cal participants are facing worse access problems than the general insured population as a result of Defendants' long-term disinvestment from the program.

B. The State's Response to the COVID-19 Pandemic Furthered the Disparities Resulting from Its Prior Disinvestment.

- 7. The State's response to COVID-19 exacerbated disparities that had resulted from its long-term policy of disinvestment from Medi-Cal. For example, the State's emphasis on telehealth and remote access to care left out Medi-Cal participants, who are disproportionately likely to face difficulties accessing telehealth, such as lacking adequate access to the internet. Going into the pandemic, Medi-Cal participants were the least likely of any insured group to access care via video or telephone, leaving them ill equipped to take advantage of the shift to telehealth.
- 8. In addition, the State only distributed doses of monoclonal antibody infusion therapy for COVID-19 treatment to hospitals rather than to community clinics that disproportionately serve the Latino community and Medi-Cal participants, such as Plaintiff St. John's Well Child & Family Center. St. John's eventually received doses from the federal government and provided the treatment to over 100 high-risk patients.
- 9. Once COVID-19 vaccines were developed and produced, the California
 Department of Public Health, which falls under Defendant California Health and Human Services
 Agency, failed to prioritize immunization of the uniquely vulnerable California Latino
 population. Throughout the vaccine distribution period, Latinos in California have been

hospitalized and have died due to COVID-19 at a higher rate than other ethnic groups. Latinos were the most vulnerable large ethnic group in California during the pandemic. Yet, the State failed to prioritize this high-risk population for vaccinations and other medical care. For example, rather than prioritizing vaccinations based on high-risk medical conditions, the State instead prioritized vaccinations primarily by age. This decision further increased the risk to the Latino population, which has the lowest proportion of people age 65 and over of any racial or ethnic category in the state (6.9%). By contrast, a quarter of White people are age 65 or older (24.5%). Over 60% of all Californians aged 65 and over are White; only 18% are Latino. By way of contrast, several other states prioritized high-risk conditions, people of color, and underserved communities in their 1b and 1c phases of vaccine distribution. Latinos in California have received a smaller share of vaccinations compared to their share of cases and share of the total population. In California, White people were 1.4 times as likely as Latinos to have received the vaccine.

C. The Pandemic Has Devastated Medi-Cal Participants and Latinos in California.

- 10. Compared to White people, Latinos have been more than twice as likely to suffer infection, hospitalization, and death because of COVID-19. In California, the death rate for Latinos ages 18 to 34 has consistently been five times higher than the White death rate for the same age group; for Latinos ages 20 to 54, the rate was eight and a half times higher than the White death rate for the same age group.
- 11. Medi-Cal participants suffered disproportionately during the pandemic both in terms of access to physician care and in terms of COVID-19 hospitalizations compared to people with other forms of insurance. Medi-Cal participants struggled to find providers to treat COVID-19 who accepted Medi-Cal. They also faced long delays trying to access non-COVID health care services they needed. Additionally, utilization of children's preventive services in Medi-Cal have declined significantly during COVID-19, which could result in negative long-term health consequences for affected children.
- 12. The odds of a COVID-19-related hospitalization and greater illness severity for patients with diabetes are three- to four-fold higher than patients without diabetes. This disparity is exacerbated by insurance type.

- 13. Since May 2020, the CDC has been tracking Multisystem Inflammatory Syndrome in Children (MIS-C), a rare but serious condition associated with COVID-19. Nationwide, a plurality (approximately 33%) of reported patients with MIS-C are Latino, with the highest concentration in California. While only 57% of children in Los Angeles County are Latino, Latinos represented about 74% of MIS-C cases in the county as of June 4, 2021.
- 14. The COVID-19 crisis and its disparate impact on Latinos is ongoing: California is currently experiencing a pandemic of unvaccinated people. The rise of the Delta variant of the coronavirus is focusing new attention on the dangers still posed for people who have not been fully vaccinated against COVID-19. For example, of 123 people recently confirmed to have been infected with the Delta variant in Los Angeles County, 110 were unvaccinated and three were partially vaccinated. Meanwhile, the White population in Los Angeles County is 50% more likely to be fully vaccinated than the Latino population, making the Latino community more susceptible to the Delta variant surge, and potentially other variants in the future.

15. The California Latino community's experience during this pandemic will continue to affect their interactions with health care in the future, in the immediate sense as they face continued delays and denials of needed health care treatment, and also over the long term. These harms trace directly to Defendants' historic disinvestment from and mismanagement of the Medi-Cal program as its participant population has become predominantly Latino, coupled with prioritization of pandemic responses that disproportionately served the state's White population. Defendants' disinvestments in Medi-Cal and the devastation caused to Latinos by COVID-19,

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1		COVID-19 response, have eroded trust in the state and		
2	its healthcare systems, and will further exacerbate disparities in chronic conditions and future			
3	health crises.			
4		Respectfully submitted,		
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