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7 **STATE OF WASHINGTON**
8 **KING COUNTY SUPERIOR COURT**

9 In re:

10 PUGET SOUND PHYSICIANS, PLLC,
11 Respondent.

NO.

ASSURANCE OF
DISCONTINUANCE

12 **I. INTRODUCTION**

13 1.1 The Consumer Protection Division of the Attorney General's Office, on behalf of
14 the State of Washington (hereinafter the Attorney General's Office), by and through its attorneys,
15 Nicholas W. Brown, Attorney General, and Will O'Connor, Assistant Attorney General, files this
16 Assurance of Discontinuance pursuant to the Consumer Protection Act (CPA), RCW 19.86.100.

17 1.2 This Assurance of Discontinuance resolves the State's concerns that Puget Sound
18 Physicians, PLLC (hereinafter PSP) engaged in unfair or deceptive acts or practices under
19 RCW 19.86.020 with respect to the conduct described herein.

20 **II. INVESTIGATION AND ALLEGATIONS**

21 2.1. Pursuant to the CPA, the Attorney General investigated PSP's billing and
22 collection practices related to hospital care it provided to charity care patients at
23 Overlake Medical Center & Clinics' acute care hospital located in Bellevue, Washington
24 (hereinafter Overlake Hospital). In 2005, PSP contracted with Overlake Hospital to provide
25 physician services for the emergency department. Pursuant to this contract, PSP directly billed
26 patients for the medical care it provided, and agreed to adhere to Overlake Hospital's charity

1 care policies. Overlake Hospital's charity care policies (with PSP agreeing to the same through
2 its contract with Overlake Hospital) required Overlake Hospital to refund patients who paid for
3 hospital care and were subsequently determined eligible for charity care, in compliance with
4 WAC 246-453-020(11).

5 2.2. Beginning on or about November 2020 and continuing until March 2026, PSP
6 failed to refund a subset of charity care eligible patients it treated at Overlake Hospital's
7 emergency department. This practice impacted 1,406 patients, with PSP failing to
8 provide \$346,983.84 in refunds to these patients.

9 **III. ASSURANCE OF DISCONTINUANCE**

10 3.1. The Attorney General deems that PSP's failure to refund charity care patients, as
11 described above, constituted unfair or deceptive acts or practices in trade or commerce that
12 violated the CPA.

13 3.2. PSP admits that unintentional accounting errors were made involving a
14 third-party billing company that led to the noncompliance described above. However, PSP does
15 not admit that it violated Washington's Consumer Protection Act. PSP has agreed to enter this
16 Assurance of Discontinuance and settlement of contested matters to avoid further controversy
17 and expense. PSP agrees not to engage in the practices identified above. PSP also agrees to fully
18 comply with all requirements of RCW 19.86.

19 **IV. RELEASE OF CLAIMS**

20 4.1. By its execution of this Assurance of Discontinuance, the Attorney General's
21 Office releases PSP from all civil claims, causes of action, damages, restitution, fines, costs, and
22 penalties under RCW 19.86, arising from or related to the conduct and/or practices referenced
23 in this Assurance of Discontinuance.

24 4.2. In the event PSP violates this Assurance of Discontinuance, this release of claims
25 becomes void, and nothing shall prevent the Attorney General's Office from enforcing
26 RCW 19.86 and seeking permanent injunctive relief and recovery of costs, restitution, and civil

1 penalties against PSP for any conduct covered by this Assurance of Discontinuance prior to and
2 after its execution by the parties.

3 4.3. Pursuant to RCW 19.86.100, this Assurance of Discontinuance is not, and may
4 not, be considered an admission of violation for any purposes; but proof of failure to comply
5 with this Assurance of Discontinuance shall be *prima facie* evidence of violation of RCW 19.86,
6 thereby placing upon the violator the burden of defending against the Court's imposition of
7 injunctions, restitution, civil penalties, and other relief the Attorney General may seek.

8 V. RESTITUTION

9 5.1 Within one-hundred twenty (120) days of entry of this Assurance of
10 Discontinuance, PSP shall issue refund payments to the 1,382 patients identified during the
11 investigation as entitled to refunds. These patients represent the 1,406 charity care patients that
12 PSP failed to refund, minus 24 patients who are owed two dollars (\$2.00) or less who will not
13 receive refunds per agreement of the Parties. The 1,382 patients receiving refunds were
14 identified as meeting the following criteria: a) they made payment(s) to PSP for hospital care
15 received at Overlake Hospital's emergency department; b) they were subsequently determined
16 by Overlake Hospital to qualify for charity care for the time period that hospital care was
17 received; c) PSP failed to refund the patient for the payment(s) the patient made; and d) the
18 patient's total payment(s) to PSP exceeded two dollars (\$2.00).

19 5.2 The refund payments issued by PSP shall include interest at nine (9) percent
20 per annum, to be calculated from the later date of either (a) the dates that the patient made a
21 payment; or (b) the date the patient was determined to be eligible for charity care, and ending on
22 August 1, 2026. With interest, these refund payments shall total \$410,419.31.

23 5.3 Payments made pursuant to this section shall be made by check, payable to the
24 patient. PSP shall identify patients' most current address through tracking. If a check is returned
25 as undeliverable, the patient shall receive at least three (3) phone calls over the course of
26 one (1) month to obtain the correct address. If a new address is obtained, the check will be mailed

1 to the new address provided. If contact is not made after three (3) phone calls, no further action
2 is required.

3 5.4 When a check is delivered but not cashed after ninety (90) days, the patient will
4 receive at least three (3) phone calls over the course of one (1) month in an effort to ensure the
5 check was delivered to the intended recipient. If the patient confirms the check was received, no
6 further action is required. If the address was correct, but the patient states the check was not
7 received, another check will be re-mailed to the original address. If a new address is obtained, a
8 check will be mailed to the new address provided. If contact is not made after three (3) phone
9 calls, no further action is required.

10 5.5 The entire refund process shall be completed within two (2) years from entry of
11 this Assurance of Discontinuance. PSP shall provide the Attorney General's Office with an
12 annual report of the total number of patients who cashed their refund checks and total amount of
13 refunds redeemed for both years of the refund process. The second report shall be delivered at
14 the completion of the refund process. For any refund payment that is uncashed by a patient at
15 the completion of the refund process, PSP shall send an equal amount to the Washington State
16 Department of Revenue for treatment according to its usual protocol for the disposition of
17 unclaimed property. Patients seeking unclaimed refunds after PSP has completed the two-year
18 refund process described above must look to the Department of Revenue for such payment.

19 **VI. PAYMENT TO ATTORNEY GENERAL**

20 6.1 Within thirty (30) days of entry of this Assurance of Discontinuance PSP shall
21 pay fifty-two thousand, five hundred dollars (\$52,500.00), to the Attorney General of Washington.
22 The Attorney General shall use the payment for recovery of its fees and costs in investigating this
23 matter, monitoring compliance with this Assurance of Discontinuance, future enforcement of
24 RCW 19.86, or for any lawful purpose in the discharge of the Attorney General's duties at the sole
25 discretion of the Attorney General.
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6.2 PSP shall mail or deliver the payment in the form of a check to the Office of the Attorney General, Attention: Margaret Farmer, Consumer Protection Division, 800 Fifth Avenue, Suite 2000, Seattle, Washington, 98104-3188.

VII. ADDITIONAL PROVISIONS

7.1 The Parties understand and agree that this Assurance of Discontinuance shall not be construed as an approval or sanction by the Attorney General of PSP's business practices. Under no circumstances shall this Assurance of Discontinuance or the name of the State of Washington or the Office of the Attorney General, or any of its employees or representatives be used by PSP or by its officers, employees, representatives, or agents in conjunction with any business activity of PSP.

7.2 This Assurance of Discontinuance is binding on PSP and its owners, directors, successors, assigns, transferees, officers, agents, partners, servants, employees, representatives, and all other persons acting in concert or participating with PSP in the context of conducting PSP's business.

7.3 Nothing in this Assurance of Discontinuance shall be construed so as to limit or bar any other person or entity from pursuing available legal claims or remedies against PSP.

7.4 The Parties agree that, should any clause, provision, or section of this Assurance of Discontinuance, for any reason, be held illegal, invalid, or unenforceable, such illegality, invalidity, or unenforceability shall not affect any other clause, provision, or section of this Assurance of Discontinuance, and this Assurance of Discontinuance shall be construed and enforced as if such illegal, invalid, or unenforceable clause, section, or provision had not been contained herein.

APPROVED on this day of 2026.

JUDGE/COURT COMMISSIONER

1 Presented by:

2 NICHOLAS W. BROWN
3 Attorney General

4 s/ Will O'Connor

5 WILL O'CONNOR, WSBA No. 52441
6 Assistant Attorney General
7 Consumer Protection Division
8 800 Fifth Avenue, Suite 2000
9 Seattle, WA 98104-3188
10 206-464-7744
11 will.oconnor@atg.wa.gov

12 *Attorneys for the State of Washington*

Agreed to and approved for entry by:

s/ Ross Siler

ROSS SILER, WSBA No. 46486
Davis Wright Tremaine LLP
920 Fifth Avenue, Suite 3300
Seattle, WA 98104-1610
206-622-3150
ross.siler@dwt.com

Attorney for Puget Sound Physicians, PLLC