California Attorney General Sues Sutter Health for Anticompetitive Practices

See [UFCW & Employers Benefit Trust v. Sutter Health](#) case page.

California's attorney general [announced](#) today that his office has filed an antitrust and unfair competition lawsuit against Sutter Health. Attorney General Xavier Becerra said at a press conference that the state's [complaint](#) follows a six-year statewide investigation that found the Northern California hospital giant engaged in anticompetitive conduct that drove up healthcare prices for patients and employers in the state. Specifically, the complaint alleges that Sutter engaged in "all-or-nothing" contracts with health insurers that restricted insurers from providing low-cost plan options to Californians, set excessively high out-of-network prices, and restricted price transparency of providers. The lawsuit came on the heels of a [report](#) released by UC Berkeley's Petris Center on Health Care Markets and Consumer Welfare, which revealed that health care costs 30% more in Northern California than in rest of the state due to provider market power and consolidation.

Sutter Health made headlines in November 2017 when it was [discovered](#) that Sutter intentionally destroyed 192 boxes of documents in a private antitrust class action brought in April 2014 by California employers and labor unions. The plaintiffs in that case sued Sutter on the same facts, accusing the health system of abusing its market power and charging inflated prices, and received class certification in August 2017 ([read](#) the Source's blog post).

The AG seeks to consolidate the state action with the ongoing

private action. Lead attorney for the class plaintiffs, Richard Grossman of Pillsbury &amp|Coleman LLP, welcomed the AG's participation in the case in a press release: "We look forward to standing shoulder to shoulder with the Attorney General in our efforts to end Sutter Health's anticompetitive practices… Together, we hope to restore the healthy price competition that will lead to lower healthcare costs."

Stay tuned as we continue to follow this case here on the [Source](#).