

DISTRICT COURT, BOULDER COUNTY, COLORADO Court Address: Boulder Justice Center 1777 6th Street Boulder, CO 80302	<p style="text-align: center;">▲ COURT USE ONLY ▲</p>
Plaintiff: AMI SADLER; COMPASSION & CHOICES; COMPASSION & CHOICES OF COLORADO; and STEPHEN KREBS, MD, v. Defendant: COMMUNITY FIRST FOUNDATION f/k/a LUTHERAN MEDICAL CENTER FOUNDATION; SISTERS OF CHARITY OF LEAVENWORTH HEALTH SYSTEM, INC.; EXEMPLA, INC., in its capacity and in its trade dress of EXEMPLA LUTHERAN MEDICAL CENTER; EXEMPLA GOOD SAMARITAN MEDICAL CENTER LLC; KAISER HOSPITAL ASSET MANAGEMENT, INC.; and KAISER FOUNDATION HEALTH PLAN OF COLORADO	
Attorneys for Defendants Kaiser:	
Name: Geraldine A. Brimmer Antonio Gallegos Address: HOLLAND & HART LLP 555 Seventeenth Street, Suite 3200 Post Office Box 8749 Denver, Colorado 80201-8749 Telephone: (303) 295-8199 Facsimile: (303) 295-8261 E-mail: gbrimmer@hollandhart.com Atty.Reg.#: 13157, 32271	
KAISER DEFENDANTS' ANSWER TO FIRST AMENDED COMPLAINT	

As their Answer to the First Amended Complaint, Defendants Kaiser Hospital Asset Management, Inc. and Kaiser Foundation Health Plan of Colorado (collectively “Kaiser Defendants”), through their counsel, state as follows:

I. INTRODUCTION

1. The first sentence of paragraph 1 of the First Amended Complaint is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in the first sentence of paragraph 1 of the First Amended Complaint. With respect to the remaining allegations of paragraph 1 of the First Amended Complaint, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations.

2. With respect to the allegations contained in the first sentence of paragraph 2 of the First Amended Complaint, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations. The second sentence of paragraph 2 of the First Amended Complaint is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations.

II. JURISDICTION AND VENUE

3. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 3 of the First Amended Complaint.

4. The Kaiser Defendants admit that Kaiser Hospital Asset Management, Inc. is an out-of-state nonprofit corporation. The Kaiser Defendants further admit Ms. Sadler is a Kaiser member who resides in Boulder, Colorado, and that the Kaiser Defendants and Good Samaritan Hospital do substantial business in Boulder County. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 4 of the First Amended Complaint.

5. Paragraph 5 of the First Amended Complaint is a statement of the basis for the relief sought by Plaintiffs, to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 5 of the First Amended Complaint.

6. Paragraph 6 of the First Amended Complaint is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 6 of the First Amended Complaint.

III. PARTIES

7. The Kaiser Defendants admit that Ms. Sadler is a resident of Boulder, Colorado.

8. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 8 of the First Amended Complaint.

9. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 9 of the First Amended Complaint.

10. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 10 of the First Amended Complaint.

11. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 11 of the First Amended Complaint.

12. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 12 of the First Amended Complaint.

13. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 13 of the First Amended Complaint.

14. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 14 of the First Amended Complaint.

15. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 15 of the First Amended Complaint.

16. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 16 of the First Amended Complaint.

17. The Kaiser Defendants admit that Exempla Northwest Medical Center, LLC is a Delaware limited liability company that owns Good Samaritan Hospital located in Lafayette, Colorado (Boulder County). The Kaiser Defendants further admit that Exempla Northwest Medical Center, LLC is the sole economic member of Good Samaritan Hospital. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 17 of the First Amended Complaint.

18. The Kaiser Defendants admit that Kaiser Hospital Asset Management, Inc. is a California nonprofit corporation with its registered address at 1560 Broadway, Suite 2090, Denver, CO 80202. The Kaiser Defendants further admit that Kaiser Hospital Asset

Management, Inc. cooperated with Exempla, Inc. in the formation of Good Samaritan Hospital. To the extent further response is required, the Kaiser Defendants deny the allegations.

19. The Kaiser Defendants admit that Kaiser Foundation Health Plan of Colorado is a Colorado nonprofit corporation with its registered address at 1560 Broadway, Denver, CO 80202. The Kaiser Defendants deny the remaining allegations contained in paragraph 19 of the First Amended Complaint.

20. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 20 of the First Amended Complaint.

21. Paragraph 21 is a legal conclusion to which no response is required by the Kaiser Defendants. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 21 of the First Amended Complaint.

IV. FACTUAL ALLEGATIONS

A. Background – Plaintiffs

22. The Kaiser Defendants admit that Ms. Sadler is a member of Kaiser. The Kaiser Defendants also admit that Kaiser members may be treated at Good Samaritan as to end-of-life choices, and that at present Good Samaritan does not apply religious restrictions to those choices.

23. Because of patient privacy laws, the Kaiser Defendants can neither admit nor deny the allegations regarding any medical treatment Ms. Sadler may have had. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 23 of the First Amended Complaint.

24. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 24 of the First Amended Complaint.

25. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 25 of the First Amended Complaint.

26. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 26 of the First Amended Complaint.

27. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 27 of the First Amended Complaint.

28. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 28 of the First Amended Complaint.

29. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 29 of the First Amended Complaint.

30. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 30 of the First Amended Complaint.

31. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 31 of the First Amended Complaint.

32. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 32 of the First Amended Complaint.

33. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 33 of the First Amended Complaint.

34. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 34 of the First Amended Complaint.

35. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 35 of the First Amended Complaint.

36. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 36 of the First Amended Complaint.

37. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 37 of the First Amended Complaint.

B. Background - Claims

38. On information and belief, the Kaiser Defendants admit that Lutheran is a nonprofit hospital that provides broad non-sectarian health care services to the public, including the Jefferson County community. The Kaiser Defendants are without knowledge or information

sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 38 of the First Amended Complaint.

39. The Kaiser Defendants admit the allegations contained in paragraph 39 of the First Amended Complaint.

40. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 40 of the First Amended Complaint.

41. The Kaiser Defendants are aware of the Notice given to the Colorado Attorney General on October 30, 2007, and admit that the Notice reports the proposed terms of the transaction, including the terms alleged in paragraph 41 of the First Amended Complaint. To the extent further response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 41.

42. The Kaiser Defendants admit in response to paragraph 42 of the First Amended Complaint that it is their understanding that one result of the Proposed Transaction will be that the Ethical and Religious Directives for Catholic Health Care Services (“Catholic Directives”) will be applied to Lutheran and Good Samaritan Hospitals. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 42 of the First Amended Complaint.

43. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 43 of the First Amended Complaint.

44. Paragraph 44 of the First Amended Complaint is a statement of the relief sought by Plaintiffs to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 44 of the First Amended Complaint.

C. The Affiliation Between CFF and SCLHS

45. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 45 of the First Amended Complaint.

46. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 46 of the First Amended Complaint.

47. The Kaiser Defendants admit on information and belief the allegations contained in the first sentence of paragraph 47 of the First Amended Complaint. The Kaiser Defendants

are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 47 of the First Amended Complaint.

48. The Kaiser Defendants admit on information and belief the allegations contained in the first sentence of paragraph 48 of the First Amended Complaint. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 48 of the First Amended Complaint.

49. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 49 of the First Amended Complaint.

50. In response to the allegations contained in paragraph 50 of the First Amended Complaint, the Kaiser Defendants admit that Good Samaritan Hospital opened in 2004 and has been operated as a hospital with no religiously based restrictions. The Kaiser Defendants further admit that Kaiser Hospital Asset Management, Inc. negotiated a Hospital Services Agreement with Exempla Northwest Medical Center, LLC. The Kaiser Defendants admit that Exempla Northwest Medical Center, LLC operates and manages Good Samaritan Hospital. With respect to the remaining allegations of paragraph 50 of the First Amended Complaint, the Kaiser Defendants are without knowledge of information sufficient to form a belief as to the truth of the remaining allegations.

D. Lutheran and Good Samaritan are Financially Healthy and Successful

51. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 51 of the First Amended Complaint.

52. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 52 of the First Amended Complaint.

53. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 53 of the First Amended Complaint.

E. The Proposed Transaction

54. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 54 of the First Amended Complaint.

55. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 55 of the First Amended Complaint.

56. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 56 of the First Amended Complaint.

57. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 57 of the First Amended Complaint.

58. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 58 of the First Amended Complaint.

59. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 59 of the First Amended Complaint.

60. The Kaiser Defendants admit that it is their understanding that upon the closing of the Proposed Transaction, the Catholic Directives will be applied to Lutheran and Good Samaritan Hospitals. Because of the uncertainty of potential options such as a negotiated carve-out, the Kaiser Defendants can neither admit nor deny that health care access in Jefferson and Boulder Counties will be reduced. To the extent further response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 60 of the First Amended Complaint.

F. Lutheran and Good Samaritan's Purposes are to Provide Broad Non-Sectarian Healthcare

61. The Kaiser Defendants admit on information and belief that Lutheran and Good Samaritan are charitable hospitals that provide health care services to the public. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 61 of the First Amended Complaint.

62. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 62 of the First Amended Complaint.

63. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 63 of the First Amended Complaint.

64. With respect to the allegations contained in paragraph 64 of the First Amended Complaint, the Kaiser Defendants admit that Kaiser Hospital Asset Management, Inc. entered into a Hospital Services Agreement with Exempla Northwest Medical Center LLC. The Hospital Services Agreement speaks for itself. To the extent further answer is required, the Kaiser

Defendants are without knowledge or information sufficient to form a belief as to what is explicitly prohibited by the Catholic Directives.

G. The Catholic Directives Severely Curtail Hospital Care Contrary to the Original Charitable Purpose

65. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 65 of the First Amended Complaint.

66. The Kaiser Defendants admit the allegations of the first and second sentences of paragraph 66 of the First Amended Complaint on information and belief. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations related to the interpretation of the Catholic Directives. The Kaiser Defendants assert, on information and belief, that the Catholic Directives are subject to canonical interpretation and direction by the Archbishop.

67. The Kaiser Defendants admit the Catholic Directives can broadly impact the care a hospital may provide to its patients and to its community. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 67 and its subparagraphs of the First Amended Complaint. Specifically, the Kaiser Defendants can neither admit nor deny the allegations related to the interpretation of the Catholic Directives and assert, on information and belief, that the Directives are subject to canonical interpretation and direction by the Archbishop.

68. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 68 of the First Amended Complaint.

69. Paragraph 69 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 69 of the First Amended Complaint.

**FIRST CLAIM FOR RELIEF
(Violation of UMIFA and Declaratory Judgment)**

70. The Kaiser Defendants incorporate by reference all preceding paragraphs of this Answer in their entirety.

71. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 71 of the First Amended Complaint.

72. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 72 of the First Amended Complaint.

73. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 73 of the First Amended Complaint.

74. Paragraph 74 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 74 of the First Amended Complaint.

75. Paragraph 75 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 75 of the First Amended Complaint.

76. Paragraph 76 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 76 of the First Amended Complaint.

77. The Kaiser Defendants admit the allegations contained in paragraph 77 of the First Amended Complaint.

78. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 78 of the First Amended Complaint.

79. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 79 of the First Amended Complaint.

80. Paragraph 80 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 80 of the First Amended Complaint.

81. Paragraph 81 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 81 of the First Amended Complaint.

82. The Kaiser Defendants admit on information and belief that Lutheran and Good Samaritan Hospitals provide a broad scope of health care services not limited by Catholic Directives. With respect to the remaining allegations of paragraph 82 of the First Amended Complaint, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations.

83. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 83 of the First Amended Complaint.

84. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 84 of the First Amended Complaint.

85. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 85 of the First Amended Complaint.

86. The Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 86 of the First Amended Complaint.

87. Paragraph 87 is a legal conclusion to which no response by the Kaiser Defendants is required. To the extent a response is required, the Kaiser Defendants are without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph 87 of the First Amended Complaint.

SECOND CLAIM FOR RELIEF
(*Cy Pres* /Breach of Charitable Trust Against CFF)

88. The Kaiser Defendants incorporate by reference all preceding paragraphs of this Answer is their entirety.

89. The Plaintiffs do not assert these allegations against the Kaiser Defendants and therefore the Kaiser Defendants have no obligation to respond.

90. The Plaintiffs do not assert these allegations against the Kaiser Defendants and therefore the Kaiser Defendants have no obligation to respond.

91. The Plaintiffs do not assert these allegations against the Kaiser Defendants and therefore the Kaiser Defendants have no obligation to respond.

92. The Plaintiffs do not assert these allegations against the Kaiser Defendants and therefore the Kaiser Defendants have no obligation to respond.

93. The Plaintiffs do not assert these allegations against the Kaiser Defendants and therefore the Kaiser Defendants have no obligation to respond.

The Kaiser Defendants deny all allegations not specifically admitted herein.

Because the First Amended Complaint does not seek relief against the Kaiser Defendants, the Kaiser Defendants are not asserting any affirmative defenses. The Kaiser Defendants reserve the right to amend their Answer if the allegations or nature of the relief changes.

WHEREFORE, the Kaiser Defendants pray that the First Amended Complaint be dismissed in its entirety and the Kaiser Defendants be awarded their costs and attorneys' fees.

Dated February 19, 2008.

Respectfully submitted,

s/ Geraldine A. Brimmer

Geraldine A. Brimmer, #13157

Antonio Gallegos, #32271

HOLLAND & HART LLP

**ATTORNEYS FOR DEFENDANTS KAISER HOSPITAL
ASSET MANAGEMENT, INC. AND KAISER
FOUNDATION HEALTH PLAN OF COLORADO**

CERTIFICATE OF SERVICE

I certify that on February 19, 2008, I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

Frances Koncilja
Zeb G. Schorr
Koncilja & Associates, P.C.
800 18th Street, Suite 300
Denver, CO 890202

Dean C. Heizer II
Heizer Paul LLP
2401 15th Street, Suite 300
Denver, CO 80202

Jay S. Horowitz
Peter C. Forbes
Horowitz/Forbes, LLP
2940 Wells Fargo Center
1700 Lincoln Street
Denver, CO 80203

Michael J. Hoffman
Holme Roberts & Owen LLP
1700 Lincoln Street, Suite 4100
Denver, CO 80203-4541

John A. Chanin
Lindquist & Venum PLLP
600 17th Street
Suite 1800 South
Denver, CO 80202

Jim Griffin, Esq.
Blackwell Sanders
4801 Main Street, Suite 1000
Kansas City, Missouri 64112

s/ Tracy Marvin