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[EXEMPT FROM FILING FEES
UNDER GOV. CODE, § 6103]

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF SANTA CLARA

14
15 **THE PEOPLE OF THE STATE OF
CALIFORNIA,**

16 Plaintiff,

17 v.

18 **HCA HEALTHCARE, INC., and
19 HEALTHTRUST WORKFORCE
SOLUTIONS, LLC,**

20 Defendants.
21

Case No.

**COMPLAINT FOR PERMANENT
INJUNCTION, CIVIL PENALTIES,
RESTITUTION, AND OTHER
EQUITABLE RELIEF**

(BUS. & PROF. CODE, § 17200 et seq.)

22 The People of the State of California (“People”), by Rob Bonta, Attorney General of the
23 State of California, bring this action against HCA Healthcare, Inc., and HealthTrust Workforce
24 Solutions, LLC (collectively, “HCA Defendants”) for violating the Unfair Competition Law (Bus.
25 & Prof. Code, § 17200 et seq.), and allege the following on information and belief:
26

27 **JURISDICTION AND VENUE**

28 1. This Court has jurisdiction over the allegations and subject matter of the People’s

1 Complaint filed in this action, and the parties to this action; and venue is proper in this County.

2 2. This enforcement action is brought under Business and Professions Code section
3 17200 et seq.

4 **DEFENDANTS**

5 3. Defendant HCA Healthcare, Inc. (“HCA” or “HCA Healthcare”) is one of the
6 largest for-profit health care employers in the country and is headquartered in Nashville,
7 Tennessee.

8 4. Defendant HealthTrust Workforce Solutions, LLC (“HWS”), is an indirect
9 subsidiary of HCA Healthcare, Inc., that provides staffing and recruiting support for HCA. For
10 most of the relevant period, HWS was the entity with primary responsibility for developing,
11 implementing, and administering the StaRN Program (described below). HWS maintains its
12 corporate offices in Sunrise, Florida, and does business in Nashville, Tennessee.

13 **FACTUAL BACKGROUND**

14 5. Between approximately 2017 and April 2023, certain divisions of HCA required
15 new-graduate and licensed registered nurses (“RNs”), who accepted employment at one of HCA’s
16 hospitals, to participate in specialty nurse training programs purported to prepare the new-
17 graduate RNs with the additional skills and knowledge they needed to transition into their desired
18 specialty area after nursing school.

19 6. Depending on the specialty, the programs, which consisted of didactic and
20 preceptorship components, lasted anywhere between ten (10) and twenty-two (22) weeks. Many
21 RNs, including RNs employed at HCA’s hospitals in California, entered into training repayment
22 agreements (“TRAs”) with the HCA Defendants in connection with the training programs. Those
23 TRAs stated that the RN would pay HCA Defendants for a pro rata portion of the stated value of
24 the training they received if they did not stay employed at their assigned HCA hospital for a
25 specified period of time, typically two years.

26 7. Since 2018, approximately 34,500 new-graduate RNs participated in a registered
27 nurse training program and entered into an attendant TRA to work at an HCA hospital, including
28 RNs that worked at HCA hospitals in California.

1 8. The HCA Defendants marketed the main training program, called the Specialty
2 Training Apprenticeship for Registered Nurses program (the “StaRN Program”), almost
3 exclusively to RNs who were about to graduate or had recently graduated from nursing school to
4 prepare them for bedside specialty practice in one of various specialties—including, for example,
5 PeriOperative/Operating Room, Labor & Delivery, and the Emergency Department—after
6 nursing school.

7 9. While the HCA Defendants marketed non-StaRN Programs in some jurisdictions,
8 the training program primarily marketed in California was the StaRN Program.

9 10. The TRA for the StaRN Program, with an accompanying promissory note
10 (collectively the “StaRN TRA contract”), stated that the RNs agreed to stay employed at their
11 HCA Hospital for at least two (2) years, or they would pay the remaining unpaid portion of the
12 stated value of the training—i.e., the RN repaid 1/24th of the training program credit for each
13 month short of their obligation to stay employed at the HCA Hospital.

14 11. For HCA Hospitals in California, between 2017 and approximately November
15 2022, most of the TRAs set forth the stated value of the StaRN training of four thousand dollars
16 (\$4,000). Thus, under these terms, for example, an RN who sought to leave employment at an
17 HCA hospital in California after one (1) year would pay two thousand dollars (\$2,000).

18 12. The StaRN TRAs in many cases authorized HCA to withhold any amount owed on
19 the TRA from the RN’s last paycheck after an RN’s employment ended with HCA.

20 13. By their conduct, the HCA Defendants extended credit to consumers through
21 TRAs. *See* 12 U.S.C. § 5481(7); Cal. Fin. Code, § 90005, subd. (g). Between approximately 2017
22 and 2022, HWS extended credit to RNs participating in the StaRN Program through StaRN TRA
23 contracts and subsequently assigned those contracts to HCA through the HCA hospitals that later
24 employed the RNs.

25 14. Between 2017 and January 2023, new-graduate StaRN participants were hired
26 onto HWS payroll and onboarded through HWS. RNs remained employees of HWS until they
27 started their preceptorship at an HCA hospital, at which time they were officially “hired” by their
28 HCA hospital and transitioned to facility payroll.

1 15. HWS then assigned the StaRN TRA contracts to HCA through an HCA hospital
2 once the RN started employment at that hospital.

3 16. The TRAs are “consumer financial services or products” under the Consumer
4 Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. § 5531 et seq., because they are extensions
5 of credit offered or provided to consumers primarily for personal, family, or household purposes.
6 12 U.S.C. § 5481(5)(A), (15)(A)(i). The TRAs are “consumer financial products or services”
7 under the California Consumer Financial Protection Law (“CCFPL”), California Finance Code
8 section 90000 et seq., because they are extensions of credit delivered, offered, or provided for use
9 by consumers primarily for personal, family, or household purposes. Cal. Fin. Code, § 90005,
10 subds. (e)(1), (k)(1).

11 17. HCA Healthcare and HWS are each therefore a “covered person” under the CFPA,
12 12 U.S.C. § 5481(6), and under the CCFPL, Cal. Fin. Code, § 90005, subd. (f).

13 **HCA Defendants’ use of TRAs in California**

14 18. During the relevant period, HCA Defendants generally required new-graduate RNs
15 to complete the StaRN program as a mandatory condition of employment at HCA’s hospital
16 facilities in California, specifically at Good Samaritan Hospital in San Jose, Regional Medical
17 Center in San Jose, Los Robles Hospital & Medical Center in Thousand Oaks, West Hills
18 Hospital & Medical Center in West Hills, and Riverside Community Hospital in Riverside
19 (collectively, the “California HCA Facilities”).

20 19. From at least January 1, 2021, to the end of 2023, each of the California HCA
21 Facilities were owned and controlled by the HCA Defendants and were a “general acute care
22 hospital,” as defined in subdivision (a) of section 1250 of the California Health and Safety Code.

23 20. New-graduate RNs who entered the StaRN program in California were sometimes
24 paid by one of the HCA Defendants and sometimes paid by one of the California HCA Facilities
25 during the didactic component of the StaRN program. By the time the RNs started their
26 preceptorships, the RNs were paid directly by one of the California HCA Facilities. Regardless of
27 who paid the RNs, at all times from the start of StaRN to the RNs’ final day of employment at
28 one of the California HCA Facilities, the HCA Defendants were employers of the RNs because

1 the HCA Defendants: (a) exercised control over the wages, hours, or working conditions; (b)
2 suffered or permitted them to work, and/or (c) engaged, thereby creating a common law
3 employment relationship.

4 21. Each of the RNs who entered the StaRN program in California was already
5 licensed to practice nursing by the California Board of Registered Nursing prior to his or her
6 commencement of the StaRN program.

7 22. At the time the RNs applied for a position at one of the California HCA Facilities,
8 they were applying for an employment position that would provide direct patient care.
9 Throughout the preceptorship phase of the StaRN program and throughout the RNs' employment
10 with any of the California HCA Facilities, the RNs occupied an employment position that
11 provided direct patient care.

12 **Some RNs were unaware of or did not understand the TRA or its material terms before**
13 **accepting employment**

14 23. The HCA Defendants' marketing materials did not, in all instances, include certain
15 details regarding the TRA, including the amount of the StaRN Program TRA. Where these
16 marketing materials included reference to a "work commitment," they did not, in all cases,
17 explain what that commitment entailed, including that RNs would have to agree to repay
18 potentially thousands of dollars if they did not stay at the HCA hospital for a stipulated period.

19 24. As a result, some RNs applied for positions requiring participation in the StaRN
20 Program without knowing that participation in the program would require that they enter a TRA.

21 25. While recruiting practices varied by HCA division, as a general matter, in
22 California HCA recruiters conducted screening calls and scheduled interviews with nursing
23 students and new-graduate RNs who applied for an HCA RN position that included a registered
24 nurse training program. Recruiters did not always disclose the existence of the work commitment
25 and repayment obligation on these calls.

26 26. After the initial call with the HCA recruiter, the new-graduate RN participated in
27 interviews with hospital or HCA division personnel. If, after the interview, the hospital decided to
28 make an offer to the candidate, the HCA recruiter typically extended an offer.

1 27. While HWS provided recruiters with FAQs reflecting the work commitment and
2 repayment obligations of the TRA intended for use during recruiting discussions, neither HWS
3 nor HCA mandated or confirmed that the disclosure of the TRA or its terms occurred in all
4 instances during the recruiting process.

5 28. In some instances, HCA recruiters did not tell the new-graduate RN about the
6 imposition of the TRA, its repayment requirement, or the principal amount of the TRA, including
7 in the initial email communications conveying the employment offer or the formal offer letter,
8 before the applicant accepted the offer of employment at an HCA Hospital.

9 29. In certain instances, HCA recruiters also imposed deadlines on RNs to accept the
10 offers, which limited the time that RNs had to ask questions about the offer.

11 30. Once an RN accepted an offer of employment from an HCA hospital, HWS
12 onboarding specialists were supposed to conduct an initial call with the incoming RN to explain
13 the onboarding process and related documents. While HWS onboarding specialists received
14 training about the StaRN TRA and the repayment obligations, HWS did not provide a script or
15 other written guidance requiring HWS onboarding specialists to disclose or explain the StaRN
16 TRA contract on that call.

17 31. Additionally, HWS provided the StaRN TRAs after RNs accepted their
18 employment offer and after RNs had potentially already received multiple communications about
19 their impending employment from HWS, HCA recruiters, or the applicable HCA hospital.

20 32. Generally, HWS made the StaRN TRA contracts available to incoming RNs
21 through an online portal. HWS onboarding specialists sent the StaRN TRA contracts to RNs and
22 requested their electronic signatures via DocuSign or Adobe Sign. HWS onboarding specialists
23 sent the StaRN TRA contracts to RNs in a read-only format, meaning RNs were not able to make
24 any modifications to the StaRN TRA contract's terms in the document provided.

25 33. In some cases, HWS or HCA did not provide RNs with the StaRN TRA contract
26 until shortly before the program began, or for the first time during a new-hire meeting or on the
27 first day of employment. And generally, RNs could not make modifications to the StaRN TRA
28 regardless of when it was provided.

In some cases, HCA provided inaccurate information about the TRAs to HCA's third-party debt collector or failed to validate whether TRA payment obligations were enforceable

34. In some cases, HCA sought to collect the amounts owed under the TRAs for the StaRN Program from those RNs who left their positions before the commitment period ended. In California, HCA collected the amounts owed by these RNs by referring the RN's TRA payment obligations to HCA's third-party debt collector, Benefit Recovery Group ("BRG").

35. In some instances, HCA failed to validate whether the TRA payment obligations were enforceable at the time of termination. As a result, BRG sought to recover on some TRAs that were unenforceable.

36. For example, HCA sent many California TRA payment obligations to BRG, although the TRAs are unenforceable under California law, which requires employers of general acute care hospitals to pay for "any expense or cost of any employer-provided or employer-required educational program or training for an employee providing direct patient care or an applicant for direct patient care employment." Cal. Labor Code, §§ 2802, 2802.1.

37. HCA sent certain other TRA payment obligations to BRG when they had already been paid directly, when HCA representatives had waived the amount owed, when the RN was still working at an HCA Hospital, when the RN resigned due to a disability, or when HCA or HWS lacked evidence that the RN signed a TRA contract.

38. In some cases, HCA overstated the TRA payment obligations that it sent to BRG, subjecting some RNs to demands to pay amounts that they did not owe.

FIRST CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE SECTION 17200

(UNFAIR COMPETITION)

39. The allegations in paragraphs 1 through 38 are incorporated here by reference.

40. HCA Defendants have engaged in business acts or practices that constitute unfair competition as defined in the Unfair Competition Law, Business and Professions Code section 17200 et seq. These acts or practices include, but are not limited to, the following:

A. Violating Labor Code section 2802 by failing to indemnify the new-

1 graduate RNs who were employed by any of the California HCA Facilities for all necessary
2 expenditures or losses incurred by the employee in direct consequence of the discharge of their
3 duties, or of their obedience to the directions of the HCA Defendants and/or one of the California
4 HCA Facilities. Specifically, by collecting on the alleged debt owed by the RNs arising from the
5 TRAs, the HCA Defendants failed to indemnify the RNs in violation of section 2802;

6 B. Regarding any of the alleged debts owed by the new-graduate RNs, who
7 worked for any of the California HCA Facilities, that arose out of any TRA that any of the HCA
8 Defendants or any of the California HCA Facilities executed, attempted to collect, and/or
9 collected on or after January 1, 2021, HCA Defendants have violated Labor Code section 2802.1
10 by failing to indemnify the RNs for all necessary expenditures or losses incurred by the employee
11 in direct consequence of the discharge of their duties, or of their obedience to the directions of the
12 HCA Defendants and/or one of the California HCA Facilities. In violation of Labor Code section
13 2802.1, the TRAs were: 1) “employer-provided or employer-required educational program[s] or
14 training for an employee providing direct patient care or an applicant for direct patient care
15 employment”; 2) not required for the RNs to practice as a nurse in California because the RNs
16 were already licensed to practice by the California Board of Registered Nursing; and 3) not
17 undertaken voluntarily;

18 C. Violating the Consumer Financial Protection Act of 2010, 12 U.S.C.
19 § 5531 et seq., by engaging in unfair or abusive acts or practices in connection with a consumer
20 financial transaction:

- 21 i. In particular, HCA Defendants engaged in abusive acts or practices by
22 materially interfering with some consumers’ ability to understand the terms
23 or conditions of the TRAs by making belated or incomplete disclosures, in
24 violation of Sections 1031 and 1036 of the Consumer Financial Protection
25 Act of 2010 (CFPA), 12 U.S.C. §§ 5531(d)(1), 5536(a)(1)(B); and
- 26 ii. HCA Defendants engaged in unfair acts or practices by referring some
27 TRA payment obligations to their third-party debt collector with inaccurate
28 information or when the TRA payment obligation was unenforceable, in

violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531(c),
5536(a)(1)(B);

D. Violating the California Consumer Financial Protection Law, Finance
Code section 90000 et seq., by engaging in unfair or abusive acts or practices with respect to
consumer financial products or services:

- i. In particular, HCA Defendants engaged in abusive acts or practices by
materially interfering with some consumers' ability to understand the terms
or conditions of the TRAs by making belated or incomplete disclosures, in
violation of section 90003(a)(1) of the CCFPL; and
- ii. HCA Defendants engaged in unfair acts or practices by referring some
TRA payment obligations to their third-party debt collector with inaccurate
information or when the TRA payment obligation was unenforceable, in
violation of section 90003(a)(1) of the CCFPL;

E. Engaging in unfair acts, including but not limited to (1) the marketing of
the StaRN training program, which, in some cases, provided belated or incomplete disclosure of
the terms, obligations, or contractual requirements, associated with the StaRN program; (2) the
requirement that RNs enter a TRA in order to obtain employment with HCA despite California
law, Labor Code sections 2802 and 2802.1, which prohibited HCA Defendants from requiring the
RNs to pay the alleged cost of StaRN; (3) the practice of sending RNs to a third-party debt
collector for the cost of the StaRN program, in violation of Labor Code sections 2802 and 2802.1;
and (4) engaging in unlawful, unfair or abusive acts or practices with respect to TRAs with RNs
in violation of the California Consumer Financial Protection Law, California Finance Code
section 90003(a)(1).

PRAYER FOR RELIEF

WHEREFORE, the People pray for judgment as follows:

41. Under Business and Professions Code section 17203, that HCA Defendants, their
affiliates, subsidiaries, successors, and assigns, their officers and employees, and all persons who
act in concert with HCA Defendants, be permanently enjoined from committing any acts of unfair

1 competition in violation of Business and Professions Code section 17200 as alleged in this
2 Complaint;

3 42. That the Court make such orders or judgments as may be necessary to prevent the
4 use or employment by HCA Defendants of any practice that constitutes unfair competition or as
5 may be necessary to restore to any person in interest any money or property that may have been
6 acquired by means of such unfair competition, under the authority of Business and Professions
7 Code section 17203;

8 43. That the Court assess a civil penalty of \$2,500 against HCA Defendants for each
9 violation of Business and Professions Code section 17200 in an amount according to proof, under
10 the authority of Business and Professions Code section 17206;

11 44. That the Court award disgorgement in an amount according to proof, under the
12 authority of California Government Code section 12527.6;

13 45. That the People recover its costs of suit, including costs of its investigation; and

14 46. For such other and further relief that the Court deems just and proper.
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16 Dated: July 24, 2025

Respectfully Submitted,

17 ROB BONTA
18 Attorney General of California

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21 Holly C. Mariella
22 Deputy Attorney General
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