

# Exhibit A

1 Joseph J. Tabacco, Jr. (SBN 75484)  
2 Kristin J. Moody (SBN 206326)  
3 Alexander S. Vahdat (SBN 284963)  
4 **BERMAN TABACCO**  
5 425 California Street, Suite 2300  
6 San Francisco, CA 94104  
7 Telephone: (415) 433-3200  
8 Facsimile: (415) 433-6382  
9 Email: jtabacco@bermantabacco.com  
10 kmoody@bermantabacco.com  
11 avahdat@bermantabacco.com

12 *Local Counsel for Plaintiff and the Proposed Class*

13 Patricia I. Avery (pending admission *pro hac vice*)  
14 Philip M. Black (SBN 308619)  
15 **WOLF POPPER LLP**  
16 845 Third Avenue  
17 New York, NY 10022  
18 Telephone: (212) 759-4600  
19 Email: pavery@wolfpopper.com  
20 pblack@wolfpopper.com

21 *Attorneys for Plaintiff and the Proposed Class*

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By /s/ Hessen Ladcani  
Deputy Clerk

22 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
23 **FOR THE COUNTY OF SAN MATEO**

24 ELIZABETH COPLEY, individually and on  
25 behalf of all others similarly situated,

26 Plaintiff,

27 v.

28 NATERA, INC.

Defendant.

Case No. 23-CIV-03095

**CLASS ACTION COMPLAINT FOR:**

1. **VIOLATIONS OF THE CALIFORNIA UNFAIR COMPETITION LAW (Cal. Bus. & Prof. Code §§ 17200, et seq.);**
2. **VIOLATIONS OF THE CALIFORNIA CONSUMER LEGAL REMEDIES ACT (Cal. Civ. Code 1750, §§ et seq.);**
3. **BREACH OF IMPLIED CONTRACT OR QUASI-CONTRACT; and**
4. **VIOLATIONS OF THE CONNECTICUT UNFAIR TRADE PRACTICES ACT (Conn. Gen. Stat. § 42-110b(a))**

**CLASS ACTION**

**DEMAND FOR JURY TRIAL**

1 Plaintiff Elizabeth Copley (“Plaintiff” or “Copley”), individually and on behalf of all  
2 others similarly situated, brings this action against Natera, Inc. (“Natera” or “Defendant”), and  
3 alleges on information and belief, except as to the allegations that pertain to Plaintiff, which are  
4 based on personal knowledge, as follows:

5 **INTRODUCTION**

6 1. Plaintiff brings this class action on behalf of all persons in the United States who  
7 had a “Panorama,” “Horizon,” “Vistara,” or “Spectrum” test performed by Natera, and were then  
8 billed more than \$249 for that test.

9 2. Natera is a genetic testing company in San Carlos, California that offers a range of  
10 prenatal genetic testing services designed to screen for genetic abnormalities in the prospective  
11 parents or the fetus. Through brochures and other communications with patients, usually via  
12 patients’ medical providers, Natera represents that the out-of-pocket cost to patients for the tests  
13 will not exceed \$249.

14 3. However, despite these representations, Natera routinely bills patients several  
15 hundred or even thousands of dollars for its tests—much more than the \$249 Natera promises.  
16 The list price for Natera’s tests, which Natera does not reveal to patients in advance, is up to  
17 \$8,000 per test. Despite Natera’s assurance that its tests are affordable and will not cost patients  
18 more than \$249, Natera instead sends bills for much higher amounts to patients’ health insurers  
19 and to patients directly, leaving patients on the hook for enormous bills that they did not expect to  
20 receive. Natera often bills patients many months or even years after the patient’s testing took  
21 place, and for amounts well in excess of \$249 (e.g., approximately \$750, \$1600, or more). Natera  
22 will send such bills even if Natera already received more than \$249 from a patient’s health  
23 insurer.

24 4. Natera’s deceptive, unfair, and abusive billing practices cause a substantial  
25 financial burden on new, expecting, and prospective parents, at a time when they are already  
26 feeling financially vulnerable. Natera’s billing practices have been widely panned on websites  
27 such as Yelp, Better Business Bureau, Reddit, and What to Expect. For example, as of July 5,  
28 2023, Better Business Bureau has 431 reviews and Yelp has 213 reviews, a majority of which are

1 negative reviews that give the company a “1 star” rating. Similarly, a Reddit thread titled “How is  
2 this not fraud? – Natera bill” has 105 comments with people narrating their horror experiences  
3 with Natera’s billing practices. Over the years, the site whattoexpect.com has also contained  
4 several discussion threads titled, e.g., “Natera is a terrible company”; “Beware Natera Billing!”;  
5 “Natera Billing issues”; “Natera genetic testing bill \$8000?!”.

6 5. When Plaintiff was pregnant with her second child, her OB/GYN recommended a  
7 Natera genetic test (the “Panorama” test). She was assured by her OB/GYN’s office that the test  
8 would not cost more than, at most, \$250. However, Plaintiff later received an Explanation of  
9 Benefits statement from her insurer showing charges from Natera totaling \$8,000 for the test. In  
10 response, Plaintiff’s husband called Natera, and a Natera representative told him that Plaintiff  
11 would be charged \$249 for the test. This \$249 price directly from the Natera representative  
12 confirmed the pricing that Plaintiff had been told by her OB/GYN’s office. Nevertheless, over a  
13 year and a half later, Plaintiff received a bill from Natera for \$721.10, and then received a second  
14 and a third bill from Natera for the same amount. After making one payment of \$50 to Natera  
15 under protest, Plaintiff then received a “final notice” bill dated October 24, 2021 for \$671.10, due  
16 immediately. As is the case for all other members of the proposed class, the bills Plaintiff  
17 received from Natera contradicted Natera’s representation that its genetic tests would cost  
18 patients no more than \$249, and charged grossly in excess of the reasonable value of the services  
19 rendered.

20 6. Subsequent to the Natera bills Plaintiff received in 2021, Plaintiff became pregnant  
21 again and, on or about May 28, 2023, underwent Natera testing again at the recommendation of  
22 her new OB/GYN. Plaintiff was given an information sheet at her OB/GYN’s office that stated  
23 that the “maximum” out-of-pocket cost for the test would be \$249. Nevertheless, on or about  
24 May 30, 2023, Plaintiff received an email from Natera containing an insurance estimate stating  
25 that her “estimated out-of-pocket cost” would actually be \$720-820.

26 7. The statement that Natera’s test would cost Plaintiff not more than \$249 originated  
27 with Natera in California. Natera’s business model relies on having physicians’ offices  
28 recommend Natera testing to patients. Natera then bills patients separately for the tests, without

1 communicating to patients the true amount that Natera will charge for the tests. Natera decides  
2 what it will represent as the charge for its tests, and then communicates that information to  
3 patients, as well as to physicians' offices with the knowledge and intent that the information will  
4 then be transmitted to patients. As described in more detail below:

- 5 • Natera's bills have a section entitled "Who Is Natera?," showing that  
6 Natera knows that patients often hear about the company and its tests,  
7 including the price thereof, from their physicians, and not from Natera  
8 directly.
- 9 • Both Plaintiff's former and current OB/GYNs had relationships with  
10 Natera through Natera sales representatives. Both of Plaintiff's OB/GYN's  
11 offices were told by Natera representatives that Natera tests would not cost  
12 their patients more than, at most, \$250.
- 13 • When Plaintiff's husband called Natera, the Natera representative  
14 confirmed on the phone that Plaintiff would be charged \$249 for the test  
15 (even though Natera then billed Plaintiff for more than twice this amount).

16 8. Defendant's conduct with respect to billing for its genetic tests violates the  
17 California Unfair Competition Law ("UCL"), the California Consumer Legal Remedies Act  
18 ("CLRA"), the Connecticut Unfair Trade Practices Act ("CUTPA"), and common law, which  
19 provides that in the absence of an express contract, service providers are entitled to the reasonable  
20 value of the services rendered.

### 21 **PARTIES**

22 9. Plaintiff, Elizabeth Copley, is a natural person who is a citizen of the United States  
23 and who, at all relevant times hereto, has resided and been domiciled in the State of Connecticut.

24 10. Defendant Natera, Inc. is incorporated in Delaware and operates one of its two  
25 major testing laboratories at 201 Industrial Road, Suite 410, San Carlos, California 94070.  
26 Defendant is a corporation that provides prenatal genetic testing services.

1 **JURISDICTION AND VENUE**

2 11. This Court has subject matter jurisdiction pursuant to California Constitution  
3 Article VI, Section 10.

4 12. This Court has personal jurisdiction over Defendant because Defendant is duly  
5 licensed, registered, and conducts business in the State of California, and a substantial portion of  
6 the conduct giving rise to Plaintiff’s claims took place in California. The amount in controversy  
7 exceeds the jurisdictional minimum of this Court.

8 13. Venue is proper in this Court because Defendant maintains offices, has agents,  
9 employs individuals, and/or transacts business in this jurisdiction; a substantial portion of the  
10 conduct giving rise to Plaintiff’s claims occurred in this jurisdiction; and Defendant caused harm  
11 to Plaintiff and putative Class members from within this jurisdiction.

12 **FACTUAL ALLEGATIONS**

13 **Background on Natera**

14 14. Natera specializes in providing genetic tests for pregnant women and prospective  
15 parents, particularly non-invasive prenatal testing (“NIPT”) services. It offers several genetic  
16 testing panels with different brand names, including Panorama, Horizon, Vistara, and Spectrum.  
17 The Horizon and Panorama panels contribute a significant majority of the company’s revenues  
18 (and Natera has publicly stated that it “expect[s] this to continue to be the case”<sup>1</sup>). The company’s  
19 other tests are currently primarily performed at Natera’s San Carlos location.

20 15. Natera operates laboratories in Austin, Texas and San Carlos, California, both of  
21 which process the Panorama and Horizon tests. In the year ended December 31, 2020, Natera  
22 processed most of its tests in its San Carlos, California laboratory (*see* Natera’s 2020 Form 10-K,  
23 retrieved from investor.natera.com, accessed February 22, 2022). Natera’s San Carlos laboratory  
24 and office space is apparently significantly larger than the laboratory and office space which  
25 Natera’s subsidiary leases in Austin, and Natera’s San Carlos laboratory is currently recognized  
26 by 48 U.S. states as a Medicaid provider.

27  
28 \_\_\_\_\_  
<sup>1</sup> *See* Natera’s 2022 Annual Report to Shareholders, at, *e.g.*, 29.

1 16. Natera’s bills are sent from, and are payable to, California addresses, namely PO  
2 Box 399023, San Francisco CA 94139-9023, or PO Box 889023, Los Angeles, CA 90088-9023.

3 17. Natera uses its San Carlos, California address and telephone number on test  
4 brochures, including brochures for its most popular tests, Panorama and Horizon.

5 18. Natera uses its San Carlos, California address on test results.

6 19. Natera directs patients and providers who have questions to call a phone number  
7 with a 650- area code (San Carlos and San Francisco Bay Area) to obtain answers, including  
8 within a Natera Billing Guide brochure.

9 20. Based on the foregoing, Natera’s billing policies and practices are established and  
10 managed from within California, and Natera receives patient payments in California.

11 **Natera’s Deceptive and Unfair Billing Practices**

12 21. Natera’s billing policy and practices are deceptive and unfair. Natera sets the  
13 prices of its tests and determines the amount to charge insurers and patients for those tests, and  
14 also determines what to communicate to patients and providers about the cost of its tests. In so  
15 doing, Natera conceals that the list price for its genetic testing services is thousands of dollars,  
16 depriving patients of the ability to make an informed decision about whether to undergo those  
17 tests. Instead, Natera promises patients, both directly and through marketing channels with  
18 medical providers, that the cost to patients will not exceed \$249. Natera’s billing practices are  
19 deceptive and unfair because Natera does not accurately disseminate crucial price information to  
20 patients and instead makes false and/or misleading statements about the cost of its tests.

21 22. Natera fails to ensure that patients are made aware of its billing practices. As a  
22 common theme, Natera fails to disclose to patients the extremely high price it charges for its  
23 genetic tests (approximately \$8,000) and the fact that many insurance plans do not cover these  
24 tests, or do not cover portions of them. For example, Natera fails to inform patients that coverage  
25 for its tests might be denied as “experimental,” and that while some insurance companies may  
26 cover the Panorama test, they may nevertheless consider the “microdeletions” add-on to that test  
27 as experimental, and deny coverage for that portion of the test (which Natera charges for  
28 separately). Since genetic testing remains a fairly new area of medical science and may not be

1 fully covered by some insurance plans, disclosure of the full charge for the tests is especially  
2 crucial for patient decision making. Furthermore, where patients have not met their deductible or  
3 where their insurance denies coverage, the full \$8,000 list price or the amount above what the  
4 insurance “allows” (which is often more than \$500) becomes the patient’s responsibility. Natera  
5 does not disclose to patients that Natera will bill them for the amount that their insurance deems  
6 the patient responsibility, whether or not it exceeds \$249.

7 23. Natera’s website, brochures, and other marketing materials that purport to provide  
8 billing and pricing information are misleading and conceal crucial information, the disclosure of  
9 which would affect a patient’s decision to undergo these tests. Natera recognizes that pricing  
10 information is fundamentally important to patients, but nevertheless provides false assurances that  
11 patients will not have to pay more than “our cash price” (i.e., \$249).

12 24. For example, a “Natera Billing Guide” brochure states: “If you’ve met your  
13 deductible, the average out-of-pocket expense is less than \$249 . . . . If your insurance plan denies  
14 the claim, you will be eligible for our discounted cash price.” This brochure gives Natera’s  
15 address in San Carlos, California.

16 25. Additionally, as of February 22, 2022, on the “Pricing and Billing Information”  
17 page under the Women’s Health category on Natera’s website,<sup>2</sup> Natera stated that it offered “price  
18 transparency – rooted in [its] commitment to provide affordable testing for all who can benefit.”  
19 Natera claimed to provide “clear cost estimates for patients” through a “Price Transparency  
20 Program,” which includes four steps, namely: (1) “Medical provider orders a test. We start  
21 processing the patient sample.” (2) “Natera billing issues an insurance estimate.” (3) “If we  
22 estimate your cost to exceed our cash price, we’ll contact you via text or email and you choose  
23 how you pay: insurance or cash.” (4) “If you choose insurance, Natera billing issues an invoice to  
24 you once Natera reviews your health plan’s confirmation of exactly how much you owe.” As of  
25 July 5, 2023, this same webpage contained materially the same information, stating that Natera  
26 provides “Personalized Cost Estimates” through its “Price Transparency Program (PTP),”  
27 whereby: “If you provide your insurance information, Natera reviews it and if we estimate your  
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<sup>2</sup> [www.natera.com/womens-health/pricing-billing/](http://www.natera.com/womens-health/pricing-billing/)

1 out-of-pocket cost to exceed our cash price, we will contact you to discuss alternative payment  
2 options.” However, in practice, Natera neither runs insurance estimates for patients prior to  
3 billing nor contacts patients to give them an option to pay through insurance or cash. Instead,  
4 Natera surprises patients with huge bills. Natera does not explain to patients that their out-of-  
5 pocket cost may exceed \$249 if patients choose to utilize their insurance coverage, even if the  
6 patient’s insurance has already paid that amount (or more) to Natera.

7 26. Natera’s bills will offer some patients a “prompt payment” deal to waive any  
8 charges above \$249 if the patient pays within a limited time window—a high-pressure tactic that  
9 is designed to take advantage of patients and extract as much money as possible from them. This  
10 tactic also admits that the much higher, undisclosed list prices for the tests are unreasonable, have  
11 no relationship to the cost to provide the test, and are not what Natera expects to receive from  
12 patients. Patients who are not offered the \$249 deal, or who do not respond in time, are billed for  
13 an unreasonably larger amount.

14 27. Natera induces medical providers to provide misleading billing information to  
15 patients by failing to disclose its billing practices to providers, and instead informing them that  
16 the cost of its tests to patients will not exceed \$249 (or \$250). As further alleged below, both  
17 Plaintiff’s former and current OB/GYN’s offices had relationships with Natera representatives,  
18 who told the offices that the cost of Natera testing to patients would not exceed \$250. As a result  
19 of Natera’s marketing to healthcare providers, the providers themselves are given the impression  
20 that patients will not owe more than this amount for Natera tests, and convey this information to  
21 patients. Natera is aware that this misinformation about the cost of its tests is routinely  
22 communicated from providers to patients, and encourages these communications. While  
23 providers may pass along a price of \$250 instead of \$249 to patients, this is merely due to  
24 rounding, since the number that appears in Natera’s written materials (e.g., billing and brochures)  
25 is consistently \$249.

26 28. Natera’s bills to patients reflect Natera’s awareness that patients may be hearing  
27 about Natera for the first time when they receive a bill from Natera. To wit, there is a section on  
28 the back of Natera’s bills that reads: “Who is Natera? Natera offers non-invasive genetic testing

1 services. Your physician is uncompromising in patient care and asked us to perform important  
2 tests on a blood sample collected during your office visit.” It further reads: “Why did I receive a  
3 Natera Statement? You are receiving a statement/bill from Natera because genetic testing services  
4 were performed, on your behalf, at the request of your physician.”

5 29. In addition, Natera will also bill in-network patients exorbitant and improper  
6 charges. In these bills, Natera misleadingly claims that the patient’s insurance did not cover the  
7 test, when, in reality, Natera failed to obtain required pre-authorization from the insurer(s).  
8 Consequently, patients who should owe nothing for the test, or only a co-pay, are hit with a  
9 surprise bill stating that they owe much more than what they expected. Natera is aware of its  
10 obligation to obtain pre-authorization, but intentionally or recklessly does not obtain that pre-  
11 authorization. Natera’s practice of billing in-network patients is an attempt to circumvent its pre-  
12 authorization obligations with insurers by improperly and fraudulently obtaining payment directly  
13 from patients.

14 30. Natera receives an economic benefit from billing patients, even before patients pay  
15 those bills. Specifically, Natera’s bills generate a receivable asset for Natera.<sup>3</sup> If a patient pays the  
16 bill, that receivable asset is converted to cash.

17 31. Natera’s bill represents an economic injury to Plaintiff. Until such time as the bill  
18 is retracted, the bill is a liability to Plaintiff (albeit a disputed one), and Natera could take  
19 imminent action in furtherance of the enforcement of that asserted liability (through, for example,  
20 sending the bill to collections or instituting other legal process).

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25 <sup>3</sup> See <https://www.investopedia.com/terms/a/accountsreceivable.asp> (accessed June 20, 2023)  
26 (explaining that “Accounts receivable (AR) are an asset account on the balance sheet that  
27 represents money due to a company in the short term. Accounts receivable are created when a  
28 company lets a buyer purchase their goods or services on credit. . . . An example of accounts  
receivable includes an electric company that bills its clients after the clients received the  
electricity. The electric company records an account receivable for unpaid invoices as it waits for  
its customers to pay their bills.”)

1 **Experiences with Natera’s Billing Policy**

2 **Plaintiff Elizabeth Copley**

3 32. For her second pregnancy, Copley received OB/GYN care from a physician’s  
4 practice in New Milford, Connecticut. This practice has maintained a direct relationship with  
5 Natera. At some point prior to late 2019, a Natera representative informed the practice that the  
6 out-of-pocket cost to patients for any Natera tests not covered by insurance would be \$250. As  
7 expected, the practice passes this information along to patients on behalf of Natera, including  
8 Plaintiff.

9 33. In late 2019, when Copley was pregnant with her second child, the nurse  
10 practitioner at Copley’s then-OB/GYN’s office advised her to do the Natera Panorama Non-  
11 Invasive Prenatal Testing panel (“Panorama panel”) due to her age.

12 34. Copley and her husband viewed a brochure about this test while in the office, but  
13 Copley does not believe it contained any specific information about the test’s price or cost, and it  
14 did not mention the list price of the test.

15 35. Upon specifically inquiring how much the test would cost, the nurse practitioner  
16 assured Copley that it would not cost more than \$250, at most.

17 36. Copley has been told by her former OB/GYN’s office that the information on the  
18 cost of the Natera test was based on statements and representations made to the OB/GYN’s office  
19 by Natera’s representative.

20 37. Copley relied on this assurance about the price of the test and, based on that  
21 assurance, agreed to get her blood drawn for the “Panorama Prenatal Screen with Microdeletions”  
22 panel (procedure codes: Fetal Chromosomal Aneuploidy with Microdeletions 81420HA,  
23 81422HA) on October 22, 2019.

24 38. There was no discussion between Copley and anyone at her OB/GYN’s office  
25 about whether she wanted to run the test through insurance or self-pay; the practice had her  
26 insurance details and, just like her other bloodwork, the Natera test was also run through her  
27 insurance.  
28

1           39. Copley did not hear anything further about or from Natera until she noticed a  
2 charge of \$8,000 on an Explanation of Benefits (“EOB”) statement from her insurer,  
3 Connecticare, in late 2019 or early 2020. The EOB was for the plan year 01/01/2019 to  
4 12/31/2019. Natera had billed Connecticare \$3,900 for Pathology services and \$4,100 for  
5 Laboratory services in connection with the Panorama panel. Connecticare denied the claim  
6 entirely, transferring potentially the entire charge onto Plaintiff.

7           40. Copley was shocked to see these exorbitant charges and by the fact that the entire  
8 charge could potentially become her responsibility. Her husband, Charles Copley, called  
9 Connecticare inquiring about the charge. Connecticare advised him to call Natera.

10           41. Charles Copley then called Natera inquiring about the charge. He informed the  
11 Natera representative to whom he spoke that he and his wife were completely unaware that they  
12 could be charged thousands of dollars for the Panorama panel, a situation vastly different from  
13 what Copley’s OB/GYN’s office had earlier represented to Copley about the cost of the test.

14           42. The Natera representative responded by saying that Copley would be charged \$249  
15 for the test, thereby confirming the pricing that Plaintiff had been told by her OB/GYN’s office.  
16 The Natera representative never advised Plaintiff or Plaintiff’s husband that her doctor’s office  
17 was mistaken, had misspoken, or had otherwise given any incorrect information to Plaintiff about  
18 Natera’s prices.

19           43. However, over a year and a half later, Natera sent Copley a bill dated July 9, 2021  
20 for \$721.10 for the very same test, more than double the amount communicated to Plaintiff at her  
21 OB/GYN’s office and later confirmed by Natera’s representative. The bill was due on August 8,  
22 2021.

23           44. After receiving the bill from Natera, Charles Copley called Natera again, and  
24 expressed that he thought he had already paid the bill.

25           45. However, Natera sent Copley a second bill dated August 16, 2021 for \$721.10, due  
26 upon receipt.

27           46. Natera then sent Copley a third bill dated September 17, 2021 for \$721.10, due  
28 upon receipt. This bill stated that the bill was “past due,” and further stated: “To prevent your

1 account from going to a professional collections agency, please submit payment for the amount  
2 due immediately.”

3 47. In response to these bills, Copley made one payment of \$50 to Natera by check,  
4 noting on the check that it was paid under protest.

5 48. Copley later received a bill dated October 24, 2021 for \$671.10, due immediately.  
6 This bill stated that it was a “final notice,” and further stated: “To prevent your account from  
7 going to a professional collections agency, please submit payment for the amount due  
8 immediately.” While Copley disputes that she owes this amount to Natera, it is her understanding  
9 that Natera expects that she will pay this bill, and that it could be sent to collections at any time.  
10 Natera has not retracted this bill.

11 49. All of the bills that Natera sent to Plaintiff were sent from, and payable to, Natera  
12 at PO Box 399023, San Francisco CA 94139-9023.

13 50. Based on Natera’s conduct, i.e., the fact that Natera had a relationship with  
14 Plaintiff’s former OB/GYN’s office and sent Plaintiff a bill, it is evident that Natera believed it  
15 was authorized to send Plaintiff a bill and also believed that Plaintiff was obligated to pay it.

16 51. Had Plaintiff been aware of the true price of the test and the amount she would be  
17 charged by Natera, she would not have agreed to do the test at that time, and thus would not have  
18 paid Natera any money at all.

19 52. Plaintiff’s current OB/GYN’s office also deals directly with Natera, and has  
20 likewise been told by Natera that the out-of-pocket cost to patients for Natera tests would not  
21 exceed \$249, confirming that this misrepresentation comes from Natera.

22 53. Since Plaintiff’s prior experience with Natera, Plaintiff has become pregnant again  
23 and again underwent Natera testing recommended by her current OB/GYN. At her current  
24 OB/GYN’s office, prior to undergoing the test on or about May 28, 2023, she received an  
25 information sheet stating that “maximum” cost for the Panorama test would be \$249.  
26 Nevertheless, on or about May 30, 2023, Plaintiff received an email from Natera stating that her  
27 “estimated out-of-pocket cost” would actually be \$720-820.  
28

1 Other experiences

2 54. Just like Plaintiff, hundreds, if not thousands, of other people have had similar  
3 experiences with Natera's deceptive and unfair billing practices, and have left reviews on  
4 websites including Yelp, Better Business Bureau ("BBB"), Reddit, and What to Expect. These  
5 reviews mention Natera's conduct in concealing the price of Natera genetic tests; surprise balance  
6 billing patients after recovering a portion from third-party payors (i.e. insurance companies);  
7 misleading patients about their out-of-pocket costs for a Natera genetic test; making false  
8 statements regarding Natera's purported Price Transparency Program; and harassing patients by  
9 repeatedly sending bills even after they have paid Natera's "prompt pay" discount in exchange for  
10 the rest of charges being waived.

11 55. Online reviews on Yelp (yelp.com/biz/natera-san-carlos, accessed on February 8,  
12 2022 and September 14, 2022 and July 5, 2023) confirm that Natera's billing practices are  
13 consistent, longstanding, and affecting patients throughout the country.

14 a. One Yelp reviewer, in a review dated June 26, 2020, wrote: "Terrible  
15 company who preys on vulnerable families. We received a bill for \$1,590  
16 despite our OBGYN saying the cost is \$249 if insurance does not cover it.  
17 When we called customer support they confirmed that the rate was  
18 \$249 but because we didn't respond within 30 days the pricing went up to  
19 \$1,590. How is that even possible? Stay as far away as you can."

20 b. Another Yelp reviewer, in a review dated July 7, 2021, wrote: "[W]hat  
21 Natera is doing takes the cake. They advertise this 'Price Transparency  
22 Program' and tell ordering providers that at most the test will cost us  
23 \$249 if insurance doesn't pay. What they advertise is, someone checks the  
24 coverage/benefits, makes an estimate, and contacts the patient if it might be  
25 in their interest to pay self-pay at \$249. What they ACTUALLY do is, per  
26 the authorization to file insurance you sign on the order, file your insurance  
27 and if your insurance pays they take that money and if your insurance  
28 leaves you more than \$249 out-of-pocket you get a one-time offer for a

1 prompt pay discount of \$249, then they go back to trying to bill you the  
2 massive coinsurance. In our case insurance paid them over \$2k and left us  
3 about \$1800. They used that \$1800 and the fact that my wife authorized  
4 insurance to be filed (in the event that it would be better for us than \$249)  
5 to extort us for the additional \$249.”

6 c. In a Yelp review dated January 13, 2022, a reviewer remarked: “Super  
7 funny how on the forms you fill out before sending in the sample says ‘if  
8 your insurance doesn't cover the cost, your maximum payment will be  
9 \$249’, the. [sic] You get a bill in the mail that says you owe over \$2700,  
10 but your insurance paid over \$600 already. When I called and asked what  
11 happened the lady on the line goes, we can offer you the \$249 deal, but you  
12 have to pay with a credit card now.[ ] Not sure why I still have to pay  
13 \$249 when they already stole over \$600 from BCBS. Very strange, I’d like  
14 some answers from them, but no one speaks English on the hotline.”

15 d. Another Yelp reviewer wrote on December 22, 2022: “I have reported  
16 Natera to CMS for their deceptive billing practices after having received a  
17 surprise NIPT testing bill for \$749 despite their website claiming that the  
18 out-of-pocket cost for the bloodwork was around \$249 at the time. They  
19 billed my in-network insurance an egregious \$3,900 for the bloodwork  
20 when I clicked the button ‘Send to Insurance’ instead of clicking the button  
21 to pay now. When you call the company, they claim that the initial \$249  
22 price was a ‘promotional’ price that has since expired.”

23 56. On Natera’s Better Business Bureau (“BBB”) profile  
24 ([https://www.bbb.org/us/ca/san-carlos/profile/laboratory-research/natera-1116-](https://www.bbb.org/us/ca/san-carlos/profile/laboratory-research/natera-1116-537368/complaints)  
25 [537368/complaints](https://www.bbb.org/us/ca/san-carlos/profile/laboratory-research/natera-1116-537368/complaints), accessed on Oct. 27, 2021 and September 14, 2022 and July 5, 2023),  
26 patients’ reported experiences are no different.

27 a. One BBB reviewer wrote: “We were told by our fertility clinic for genetic  
28 testing out of pocket cost would be \$200 each test which we had 2 done

1 mine and my spouse. We were given a paper with this information and told  
2 the genetic testing company would contact us once talking to our insurance  
3 and [if] it was more than \$200 we could do the self-pay option. Nobody  
4 ever contacted us and they billed each of our insurance over \$14,000 and  
5 now insurance is stating we owe an upward of \$7000. Nobody ever  
6 contacted us to tell us this and offer us the self-pay option.....”

7 b. Another BBB reviewer wrote on August 14, 2022: “Was told the test  
8 would only cost \$250 and that my insurance covers the cost 100%. 6  
9 months later the charge is finally charged to my insurance for \$3900. This  
10 charge was also denied through my insurance. Natera mislead me in the  
11 cost and coverage of this testing. I was baited and taken advantage of to get  
12 me to agree to this test and now in stuck with a large [bill] I cannot afford  
13 to pay.”

14 c. Another BBB reviewer wrote on June 27, 2023: “Assuming the bill that we  
15 received is legitimate (which I'm not sure it is) they waited `1.5 years to  
16 send us a bill that they said would be \$249 if we paid it within 30 days of  
17 the invoice date, but \$1,590 if we paid after that. We left the country before  
18 the bill arrived, a bit more than two weeks after the ‘invoice date.’ So, by  
19 the time we got back into the country and got our mail, we had already  
20 passed the 30 days. I am wondering if this is a scam because I can't  
21 imagine a legitimate company would do something like this.”

22 57. The Capitol Forum, an investigative news organization located in Washington,  
23 D.C., published an article on August 5, 2021, entitled “Natera: Experts Raise Concerns About  
24 Size of Prompt Pay Discounts and Company Billing Practices.” This article discusses the  
25 experience of multiple patients who were billed hundreds or thousands of dollars more than  
26 Natera’s advertised cash price of \$249 for its tests. The article noted that “Natera patients  
27 interviewed by The Capitol Forum shared similar stories regarding Natera’s price transparency  
28 program and prompt payment discounts. All said that the amounts Natera charged both their

1 insurers and them were far above what they had initially been told by the company, and that  
2 Natera sent almost daily emails reminding them to pay.” The article also referred to a “fertility  
3 clinic in California,” which had a “business relationship with Natera,” and reported that the clinic  
4 ““received a lot of complaints from patients regarding Natera’s billing practices”” because Natera  
5 would improperly ““send a bill ranging from \$600 to \$1000 to both [the clinic] and the patient  
6 more than 50% of the time. . . . They harass the patient and they tell them the clinic hasn’t paid  
7 and you need to pay the bill, calling and emailing them every day, even when [the clinic] already  
8 paid the bill sent to [the clinic].””

9 58. Patients generally encounter Natera’s misrepresentations only before or during  
10 pregnancy. Due to the time it takes to carry a pregnancy to term, and the inherent contingencies  
11 involved in family planning, patients who have been harmed by Natera’s misrepresentations  
12 cannot be sure if, or exactly when, they will encounter Natera’s misrepresentations again. This is  
13 because patients may not choose to become pregnant again, but if they do, there is no guarantee  
14 of success, nor can it be predicted when a patient may become pregnant again, or attempt to  
15 become pregnant again. However, Natera’s billing policies and practices will affect any patient  
16 who does become pregnant, or attempt to become pregnant, and undergo genetic testing through  
17 Natera.

18 59. As described herein, Natera knows that the price of its tests is a material piece of  
19 information to patients, and intentionally deprives patients of this information. Instead, Natera  
20 directly or indirectly falsely promises them a lower price, with the intention of inducing them to  
21 undergo its tests with the expectation of an affordable price, only to bill them for an egregiously  
22 higher amount at a time when they are already under considerable stress, to patients’ financial  
23 harm and Natera’s benefit.

24 60. Given the circumstances described hereinabove, Defendant’s misconduct is  
25 malicious, oppressive, and/or fraudulent.

26 61. Defendant’s conduct constitutes malice because it is intended by the Defendant to  
27 cause injury to the plaintiff and/or is despicable conduct which is carried on by the Defendant  
28 with a willful and conscious disregard of the rights or safety of others.



1           68. This action has been brought and may properly be maintained as a class action  
2 because there is a well-defined community of interest in the litigation, the proposed Class and  
3 Subclass are ascertainable because the class definition uses objective terms that make the eventual  
4 identification of class members possible, and Plaintiff is a proper representative of the putative  
5 Class and Subclass.

6           69. The members of the Class and Subclass are so numerous that the joinder is  
7 impracticable. It is believed that at a minimum, thousands of persons across the United States,  
8 including Connecticut, where the Plaintiff resides and is domiciled, have received bills in excess  
9 of \$249 from Natera for these genetic tests, and thousands more will continue to be subjected to  
10 these exorbitant bills if Defendant’s practices are not stopped. The precise number of Class and  
11 Subclass members and their identities are unknown to Plaintiff at this time but may be determined  
12 through discovery. These members may be notified of the pendency of this action by mail, email,  
13 and/or publication through the distribution records of Defendant (and, to the extent applicable,  
14 third-party retailers and vendors).

15           70. Plaintiff’s respective claims are typical of the claims of the Class and Subclass  
16 because she had a “Panorama,” “Horizon,” “Vistara,” or “Spectrum” test performed by Natera,  
17 and was then billed more than \$249 for that test.

18           71. Plaintiff will fairly and adequately represent and protect the interests of the other  
19 Class and Subclass members. Plaintiff has no interests antagonistic to those of other Class and  
20 Subclass members. Plaintiff is committed to the vigorous prosecution of this action and has  
21 retained counsel experienced in litigation of this nature.

22           72. Common questions of law and fact exist as to all members of the Class and  
23 Subclass predominate over any questions affecting only individual members, including, but not  
24 limited to:

- 25           a. whether Defendant misrepresents its billing and pricing policy to patients,  
26                 either directly or through patients’ medical providers, through its brochures  
27                 and other channels of marketing;

- 1           b.     whether Defendant conceals the extremely high price it charges for its
- 2                 genetic panels, thereby deceiving class members into choosing to perform
- 3                 the genetic panels;
- 4           c.     whether Defendant’s conduct constituted an unfair, unlawful, and/or
- 5                 fraudulent business practice in violation of the Unfair Competition Law,
- 6                 Cal. Bus. & Prof. Code § 17200, et seq.;
- 7           d.     whether Defendant’s conduct violated the Consumer Legal Remedies Act,
- 8                 Cal. Civ. Code §§ 1750, et seq.;
- 9           e.     as to the Connecticut Subclass, whether Defendant’s conduct violated the
- 10                Connecticut Unfair Trade Practices Act, Conn. Gen. Stat. § 42-110a et
- 11                seq.;
- 12           f.     whether Defendant was unjustly enriched as a result of Defendant’s
- 13                conduct;
- 14           g.     whether Defendant’s conduct damaged members of the Class and Subclass
- 15                and, if so, the measure of those damages;
- 16           h.     whether Plaintiff and the class are entitled to punitive damages; and
- 17           i.     whether Defendant’s practices in connection with billing of its genetic
- 18                panels should be enjoined.

19           73.     A class action is superior to other available methods for the fair and efficient  
20 adjudication of this controversy. Since the damages suffered by individual Class and Subclass  
21 members may be relatively small, the expense and burden of individual litigation make it virtually  
22 impossible for the respective Class and Subclass members to seek redress for the wrongful  
23 conduct alleged. Plaintiff knows of no difficulty which will be encountered in the management of  
24 this litigation that would preclude its maintenance as a class action.

25           74.     Class certification is also appropriate because the Defendant has acted on grounds  
26 that apply generally to the Class, so that final injunctive relief or corresponding declaratory relief  
27 is appropriate respecting the Class as a whole.

28



1 wrongful benefits and funds from Plaintiff and members of the Class. Therefore, the Defendant  
2 acted with conscious disregard for the rights of Plaintiff and members of the Class.

3 81. Defendant's conduct is unfair, and thus amounts to unfair competition as set forth  
4 in the UCL, because its utility to Defendant, if any, is greatly outweighed by the harm it causes to  
5 Plaintiff and members of the class, and because it is immoral, unethical, oppressive, unscrupulous  
6 and substantially injurious to patients who end up with unexpected huge bills that cause severe  
7 financial distress.

8 82. As a direct and proximate cause of Defendant's violations of the UCL, Plaintiff  
9 and the Class suffered an injury in fact and have suffered monetary harm. Defendant, on the other  
10 hand, has been unjustly enriched and should be required to make restitution to Plaintiff and the  
11 class and/or disgorge its ill-gotten profits pursuant to Business & Professions Code § 17203.

12 83. Defendant's unlawful, unfair, and fraudulent business practices, as described  
13 herein, present a continuing threat to Plaintiff, the Class and the general public in that Defendant  
14 continues to misrepresent the price and out-of-pocket expenses that patients would have to bear  
15 for its genetic tests.

16 84. A constructive trust should be imposed upon all wrongful or inequitable proceeds  
17 received by Defendant traceable to Plaintiff and members of the Class.

18 85. Plaintiff and the class seek equitable relief because they have no other adequate  
19 remedy at law. Absent equitable relief, Defendant will continue to injure consumers, and harm the  
20 public's interest, thus engendering a multiplicity of judicial proceedings.

21 86. Plaintiff further seeks an order enjoining Defendant from engaging in any unlawful  
22 or inequitable acts and practices as alleged herein, because of Defendant's continuing  
23 misrepresentations and improper billing practices.

24  
25 **SECOND CAUSE OF ACTION**  
26 **Violations of the California Consumer Legal Remedies Act**  
**Cal. Civ. Code §§ 1750, et seq.**  
**On Behalf of the Class**

27 87. Plaintiff hereby incorporates by reference all allegations made in the previous  
28 paragraphs.

1           88.     The conduct of Defendant alleged above constitutes an unfair method of  
2 competition and unfair or deceptive act or practice in violation of the Consumers Legal Remedies  
3 Act, Cal. Civ. Code § 1750, et seq. (“CLRA”).

4           89.     Defendant is a person as defined by Cal. Civ. Code § 1761(c).

5           90.     Plaintiff and Class members are consumers as defined by Cal. Civ. Code  
6 § 1761(d).

7           91.     Defendant’s genetic testing services described above constitutes a service as  
8 defined by Cal. Civ. Code § 1761(b).

9           92.     Plaintiff’s purchase was a transaction under Cal. Civ. Code § 1761(e).

10          93.     The CLRA prohibits “unfair or deceptive acts or practices undertaken by any  
11 person in a transaction intended to result or that results in the sale . . . of services to any  
12 consumer,” which, among other instances enumerated in the CLRA, include: “Representing that  
13 goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or  
14 quantities that they do not have . . .” (§ 1770(a)(5)); “Advertising goods or services with intent  
15 not to sell them as advertised” (§ 1770(a)(9)); or “a transaction confers or involves rights,  
16 remedies, or obligations which it does not have or involve, or which are prohibited by law”  
17 (§ 1770(a)(14)).

18          94.     Defendant’s conduct violates Cal. Civ. Code § 1770(a)(5) in that Defendant  
19 misrepresented that its services had the characteristics of price transparency, which in fact they  
20 did not have. Defendant violated Cal. Civ. Code § 1770(a)(9) in that it falsely advertised its  
21 service to be affordable and price transparent. Further, it falsely advertised that it would offer  
22 patients the option of a cash discount if it found patients owed higher amounts through insurance.  
23 In reality, it had no intention of informing patients of the expected charges if put through  
24 insurance nor intended to be transparent about the price of its services. Defendant violated Cal.  
25 Civ. Code § 1770(a)(14) in that it represented its transactions with patients involved rights and  
26 obligations regarding price transparency which, in fact, they did not have or involve.

27          95.     The representations and omissions set forth above are of material facts that a  
28 reasonable person would have considered important in deciding whether or not to purchase

1 Defendant's services. Plaintiff and class members justifiably acted or relied upon Defendant's  
2 misrepresentations and omissions to their detriment.

3 96. Plaintiff and the other members of the Class have been, and continue to be, injured  
4 as a direct and proximate result of Defendant's violations of the CLRA.

5 97. Plaintiff is entitled to pursue a claim against Defendant on behalf of the Class to  
6 enjoin Defendant from continuing its unfair or deceptive acts or practices under Cal. Civ. Code  
7 § 1780(a) and § 1781, as well as to pursue costs and attorneys' fees under § 1780(e).

8 98. On November 19, 2021, Plaintiff served Defendant with written notice of its  
9 CLRA violations pursuant to Cal. Civ. Code § 1782, via letter sent by certified mail, return  
10 receipt requested. After the requisite thirty days, Defendant failed to respond to the CLRA notice  
11 letter, and did not make any appropriate correction, repair, replacement, or other remedy.  
12 Pursuant to Cal. Civ. Code § 1782, Plaintiff is thus entitled to seek damages at this time.  
13 Accordingly, Plaintiff seeks damages on behalf of herself and the Class as permitted by Cal. Civ.  
14 Code § 1782.

15 **THIRD CAUSE OF ACTION**  
16 **Breach of Implied Contract or Quasi-Contract**  
17 **On Behalf of the Class**

18 99. Plaintiff hereby incorporates by reference all allegations made in the previous  
19 paragraphs.

20 100. Plaintiff brings this claim individually and on behalf of the members of the Class  
21 against Defendant.

22 101. A contract is implied by law between the Defendant and the Plaintiff and Class  
23 members, entitling Plaintiff and Class members an accurate representation of the charges for  
24 Defendant's services.

25 102. A contract is also implied by law between the Defendant and the Plaintiff and  
26 Class members, entitling Defendant to fair market or reasonable value of the testing services  
27 rendered (the quantum meruit of the services performed).  
28

1           103. Defendant breached the terms of the implied contract by billing Plaintiff and Class  
2 members at excessive rates, much higher than reasonable value implied in law, which Plaintiff  
3 and Class members were completely unaware of.

4           104. By means of Defendant's wrongful conduct alleged herein, Defendant knowingly  
5 misrepresented the charges for its genetic tests in a manner that was unfair, unconscionable and  
6 oppressive, and knowing the charges would have had an influence in the consumers' decision to  
7 purchase the service.

8           105. As a result of Defendant's wrongful conduct as alleged herein, Defendant has been  
9 unjustly enriched at the expense of, and to the detriment of, Plaintiff and members of the Class.

10           106. Under the common law doctrine of unjust enrichment, it is inequitable for  
11 Defendant to be permitted to retain the benefits it received, and is still receiving, without  
12 justification, from the imposition of charges upon members of the Class in an unfair,  
13 unconscionable, and oppressive manner. Defendant's retention of such funds, under  
14 circumstances making it inequitable to do so, constitutes unjust enrichment.

15           107. Defendant knowingly received and retained wrongful benefits and funds from  
16 Plaintiff and members of the Class. Therefore, the Defendant acted with conscious disregard for  
17 the rights of Plaintiff and members of the Class.

18           108. Defendant's unjust enrichment is traceable to, and resulted directly and  
19 proximately from, the conduct alleged herein.

20           109. The financial benefits derived by Defendant rightfully belong to Plaintiff and  
21 members of the Class. Defendant should be compelled to provide restitution, and to disgorge into  
22 a common fund or constructive trust, for the benefit of Plaintiff and the Class, all proceeds  
23 received from Plaintiff and the Class as a result of any unlawful or inequitable act described  
24 herein that unjustly enriched Defendant.

25           110. A constructive trust should be imposed upon all wrongful or inequitable proceeds  
26 received by Defendant traceable to Plaintiff and members of the Class.

27  
28

1 111. Plaintiff further seeks an order enjoining Defendant from engaging in any unlawful  
2 or inequitable acts and practices as alleged herein, because of Defendant’s continuing  
3 misrepresentations and improper billing practices.

4 112. Plaintiff and members of the Class have no adequate remedy at law.

5  
6 **FOURTH CAUSE OF ACTION**  
7 **Violations of the Connecticut Unfair Trade Practices Act**  
8 **Conn. Gen. Stat. § 42-110b(a)**  
9 **On Behalf of the Connecticut Subclass**

10 113. Plaintiff hereby incorporates by reference all allegations made in the previous  
11 paragraphs.

12 114. Plaintiff brings this claim individually and on behalf of the members of the  
13 Connecticut Subclass against Defendant.

14 115. The Connecticut Unfair Trade Practices Act (“CUTPA”) prohibits “unfair methods  
15 of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce.”  
16 Conn. Gen. Stat. § 42-110b(a).

17 116. Defendant’s conduct violates the CUTPA because it (1) offends public policy as it  
18 has been established by statutes, the common law, or otherwise; (2) is immoral, unethical,  
19 oppressive, or unscrupulous; and (3) causes substantial injury to consumers.

20 117. Defendant further violated the CUTPA by failing to make advertised items  
21 conspicuously and readily available for sale at or below the advertised prices. Regs., Conn. State  
22 Agencies § 42-110b-18(i).

23 118. Plaintiff, on behalf of herself and the Connecticut Subclass, seeks damages,  
24 punitive damages, injunctive relief, other equitable relief, costs, and fees as permitted by Conn.  
25 Gen. Stat. § 42-110g.

26 **PRAYER FOR RELIEF**

27 WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated,  
28 requests that the Court award the following relief:

- 1 a. Certify this action as a class action pursuant to California Code of Civil
- 2 Procedure § 382, appoint Plaintiff as representative of the Class, and
- 3 designate the undersigned as Class Counsel;
- 4 b. Declare Defendant’s conduct unlawful and enter an order enjoining the
- 5 Defendant from continuing to engage in the conduct alleged herein;
- 6 c. Award Plaintiff and the Class damages, including punitive damages
- 7 pursuant to Cal. Civ. Code 3294 (and/or to the Connecticut Subclass
- 8 pursuant to Conn. Gen. Stat. § 42-110g);
- 9 d. Award Plaintiff and the Class restitution and/or disgorgement to the extent
- 10 legal remedies are unavailable or insufficient;
- 11 e. Award pre-judgment and post-judgment interest;
- 12 f. Grant Plaintiff and the Class payment of the costs of prosecuting this
- 13 action, including expert fees and expenses;
- 14 g. Grant Plaintiff and the Class payment of reasonable attorneys’ fees; and
- 15 h. Grant such other relief as the Court may deem just and proper.

16 **DEMAND FOR JURY TRIAL**

17 Plaintiff and the Class members demand a trial by jury on all triable issues.

18 DATED: July 7, 2023

Respectfully submitted,

19 **BERMAN TABACCO**

20  
21 By: /s/ Alexander S. Vahdat  
Alexander S. Vahdat

22 Joseph J. Tabacco, Jr.  
23 Kristin J. Moody  
425 California Street, Suite 2300  
24 San Francisco, CA 94104  
Telephone: (415) 433-3200  
25 Email: jtabacco@bermantabacco.com  
kmoody@bermantabacco.com  
26 avahdat@bermantabacco.com

27 *Attorneys for Plaintiff and the Proposed Class*

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Patricia Avery (admission *pro hac vice* to be filed)

Philip M. Black (SBN 308619)

**WOLF POPPER LLP**

845 Third Avenue

New York, NY 10022

Telephone: (212) 759-4600

Facsimile: (212) 486-2093

Email: pavery@wolfpopper.com

*Attorneys for Plaintiff and the Proposed Class*