

**UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF KENTUCKY
SOUTHERN DIVISION AT LONDON**

PHI HEALTH, LLC, and EMPACT MIDWEST LLC,

Plaintiffs,

v.

U.S. DEPARTMENT OF HEALTH AND HUMAN
SERVICES,

ROBERT F. KENNEDY, JR., in his official capacity
as Secretary of Health and Human Services,

OFFICE OF PERSONNEL MANAGEMENT,

SCOTT KUPOR, in his official capacity as Director of
the U.S. Office of Personnel Management,

U.S. DEPARTMENT OF LABOR,

KEITH E. SONDERLING, in his official capacity as
Acting Secretary of Labor,

U.S. EMPLOYEE BENEFITS SECURITY
ADMINISTRATION,

DANIEL ARONOWITZ, in his official capacity as the
Assistant Secretary of the Employee Benefits Security
Administration,

U.S. DEPARTMENT OF THE TREASURY,

SCOTT BESSENT, in his official capacity as Secretary
of the Treasury,

INTERNAL REVENUE SERVICE, and

SCOTT BESSENT, in his official capacity as Acting
Commissioner of Internal Revenue,

Defendants.

Case 6:22-cv-00095

JOINT STATUS REPORT

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Pursuant to the Court's order of September 12, 2024, ECF 65, the parties respectfully submit this Joint Status Report.

TMA III and LifeNet III

On August 24, 2023, the United States District Court for the Eastern District of Texas granted in part and denied in part the parties' cross-motions for summary judgment in *Texas Medical Association v. U.S. Department of Health and Human Services*, No. 22-cv-450 (E.D. Tex.) (lead case) ("*TMA III*"), and *LifeNet, Inc. v. U.S. Department of Health and Human Services*, No. 22-cv-453 (E.D. Tex.) ("*LifeNet III*"). On October 30, 2024, the Fifth Circuit reversed portions of the district court's ruling and affirmed others. *Tex. Med. Ass'n v. U.S. Dep't of Health & Human Servs.*, 23-40605, 120 F.4th 494 (5th Cir. 2024). As relevant here, the Fifth Circuit upheld the portions of the rule that Plaintiffs challenge in this case. On December 16, 2024, Plaintiffs petitioned for rehearing *en banc*. On May 30, 2025, the Fifth Circuit granted re-hearing *en banc* and vacated its previous opinion. *See Tex. Med. Ass'n v. U.S. Dep't of Health & Human Servs.*, 23-40605, Dkt. 177-1 (May 30, 2025). The *en banc* Fifth Circuit issued its opinion and judgment on August 11, 2026, overturning in part the panel's decision. *See* Dkt. 363-1; 365. The parties have until November 9, 2027 to seek certiorari. *See* Fed. R. App. P. 13(1).

In light of the status of this related litigation, Plaintiffs request that the stay in this matter should remain in place, and Defendants do not oppose that request.

Dated: September 1, 2026

Respectfully submitted,

/s/ Chrisandrea Turner

Chrisandrea Turner
STITES & HARBISON, PLLC
250 W. Main St., Ste. 2300
Lexington, KY 40507
859-226-2261
clturner@stites.com
Counsel for Plaintiffs

Stephen Shackelford, Jr.
Steven Shepard
J. Craig Smyser
Max I. Straus
SUSMAN GODFREY L.L.P.
1301 Avenue of the Americas, 32nd Floor
New York, NY 10019
Tel: (212) 336-8330
Fax: 212-336-8340
sshepard@susmangodfrey.com
sshackelford@susmangodfrey.com
csmyser@susmangodfrey.com
mstraus@susmangodfrey.com
Attorneys for Plaintiffs

BRETT A. SHUMATE
Assistant Attorney General, Civil Division

ERIC B. BECKENHAUER
Assistant Branch Director

/s/ Jacob S. Siler

JACOB S. SILER
Trial Attorney
D.C. Bar No. 1003383
United States Department of Justice
Civil Division, Federal Programs Branch
1100 L Street, NW
Washington, DC 20005
Phone: (202) 353-4556
Fax: (202) 616-8460
E-mail: jacob.s.siler@usdoj.gov

Counsel for Defendants