

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION**

BLUE CROSS BLUE SHIELD  
HEALTHCARE PLAN OF  
GEORGIA, INC.,

Plaintiff,

v.

HALOMD, LLC; HOSPITALIST  
MEDICINE PHYSICIANS OF  
GEORGIA -TCG, PC; HOSPITALIST  
MEDICINE PHYSICIANS OF  
GEORGIA-TCS, PC; and SOUND  
PHYSICIANS EMERGENCY  
MEDICINE OF GEORGIA, P.C.,

Defendants.

Civil Case No. 1:25-cv-02919-TWT

District Judge: Hon. Thomas W.  
Thrash, Jr.

**DEFENDANTS' NOTICE OF SUPPLEMENTAL AUTHORITY IN  
SUPPORT OF THEIR MOTIONS TO DISMISS**

Defendants respectfully submit this Notice of Supplemental Authority in support of their pending motions to dismiss Plaintiff Blue Cross Blue Shield Healthcare Plan of Georgia, Inc.'s ("BCBSGA") Amended Complaint, namely, an April 9, 2026 order dismissing a nearly identical complaint filed by other Blue Cross Blue Shield entities against Defendants in California.

On April 9, 2026, the United States District Court for the Central District of California issued its Memorandum Opinion and Order ("Order") granting several motions to dismiss filed in *Anthem Blue Cross Life and Health Insurance Company*,

*et al. v. HaloMD LLC, et al.*, No. 8:25-cv-01467-KES (C.D. Cal. Apr. 9, 2026) (the “California Action”), a copy of which is attached as **Exhibit A**. In its Order in the California Action, the court dismissed the First Amended Complaint filed by Anthem Blue Cross Life and Health Insurance Company and Blue Cross of California d/b/a Anthem Blue Cross (collectively, “Anthem”), against defendant HaloMD, LLC and two affiliates of the Sound Physicians defendant in this case.

The First Amended Complaint in the California Action is attached as **Exhibit B**. In the California Action, Anthem asserted materially identical factual allegations and many identical causes of action, including claims for: (i) violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”), (ii) vacatur of Independent Dispute Resolution (“IDR”) awards under the No Surprises Act (“NSA”); (iii) equitable relief under the Employee Retirement Income Security Act of 1974 (“ERISA”); and (iv) California analogs to several Georgia state law causes of action asserted in this Action.

HaloMD, LLC noted the existence of the California Action in its memoranda in support of its pending motion to dismiss in this Action. *See* Memorandum of Law in Support of Defendant HaloMD, LLC’s Motion to Dismiss (Doc. 47-1) at 3 n.2. The same lawyers who represent the plaintiffs and the defendants in the California Action also represent the same parties in this Action.

The Order is relevant to this Action as it addresses many of the same arguments made by the parties in this Action. In ruling on those arguments, the court in the California Action dismissed the entirety of Anthem’s pleading, holding that:

1. Anthem had not pleaded any permissible grounds for vacatur under 42 U.S.C. § 300gg111(c)(5)(E) (citing 9 U.S.C. § 10(a)(1)-(4)); and
2. the court did not have subject-matter jurisdiction over Anthem’s other federal claims (*i.e.*, RICO, RICO conspiracy, ERISA, Declaratory and Injunctive Relief) because the NSA prohibits judicial review of IDRE determinations “regardless of the legal theory under which judicial review is sought,” and Anthem’s theories were “all end runs around the NSA’s limits on judicial review.”

Order at 5, 11–20. The court further declined to exercise supplemental jurisdiction over Anthem’s remaining state law claims and denied leave to amend “since leave to amend would be futile.” Order at 20, 22.

Respectfully submitted, this 13th day of April, 2026.

[SIGNATURES ON FOLLOWING PAGE]

/s/ Kamal Ghali

Kamal Ghali  
Georgia Bar No. 805055  
kghali@chaikenghali.com  
Matthew A. Josephson  
Georgia Bar No. 367216  
mjosephson@chaikenghali.com  
Michael C. Duffey  
Georgia Bar No. 710738  
mduffey@chaikenghali.com  
CHAIKEN GHALI LLP  
(404) 795-5005 (Telephone)  
(404) 581-5005 (Facsimile)

/s/ Jonah D. Retzinger

Jonah D. Retzinger (*pro hac vice*)  
jretzinger@nixonpeabody.com  
Christopher D. Grigg (*pro hac vice*)  
cgrigg@nixonpeabody.com  
Brock J. Seraphin (*pro hac vice*)  
bseraphin@nixonpeabody.com  
April C. Yang (*pro hac vice*)  
ayang@nixonpeabody.com  
NIXON PEABODY LLP  
(213) 629-6000 (Telephone)

*Counsel for Defendant HaloMD, LLC*

A. Shane Nichols  
shanenichols@mwe.com  
Georgia Bar No. 542654  
MCDERMOTT WILL & SCHULTE LLP  
Tel: (404) 260-8553

Laura McLane (*pro hac vice*)  
lmclane@mwe.com  
Matthew L. Knowles (admitted *pro hac vice*)  
mknowles@mwe.com  
Connor S. Romm (admitted *pro hac vice*)  
cromm@mwe.com  
MCDERMOTT WILL & SCHULTE LLP  
Tel: (617) 535-3885

*Counsel for Defendants Sound Physicians  
Emergency Medicine of Georgia, PC and  
Hospitalist Medicine Physicians of Georgia -TCG, PC*

**CERTIFICATE OF COMPLIANCE**

I hereby certify that on April 13, 2026, the foregoing has been prepared in Times New Roman, 14-point font, in conformance with LR 5.1(C), NDGa.

/s/ Michael C. Duffey  
Michael C. Duffey

**CERTIFICATE OF SERVICE**

I hereby certify that on this day I caused to be served a true and correct copy of the foregoing **DEFENDANTS' NOTICE OF SUPPLEMENTAL AUTHORITY IN SUPPORT OF THEIR MOTIONS TO DISMISS** by filing the same with the Court's electronic case management system, which automatically serves counsel of record.

This 13th day of April, 2026.

*/s/ Michael C. Duffey*  
Michael C. Duffey

O

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

ANTHEM BLUE CROSS LIFE  
AND HEALTH INSURANCE  
COMPANY, et al.,  
  
Plaintiffs,  
  
v.  
  
HALOMD LLC, et al.,  
  
Defendants.

Case No. 8:25-cv-01467-KES  
  
MEMORANDUM OPINION  
AND ORDER

**I.**  
**INTRODUCTION**

In July 2025, Anthem Blue Cross Life and Health Insurance Company and Blue Cross of California d/b/a Anthem Blue Cross (“Plaintiffs” or “Anthem”) filed this civil lawsuit. (Dkt. 1.) The operative First Amended Complaint (“FAC” at Dkt. 50) names the following Defendants:

- (1) HaloMD, LLC (“HaloMD”) and its president, Alla LaRoque (collectively, the “HaloMD Defendants”);
- (2) MPOWERHealth Practice Management, LLC and its CEO, Scott LaRoque (collectively, the “MPOWERHealth Defendants”);
- (3) Bruin Neurophysiology, P.C.; iNeurology, PC; N Express, PC; and

1 North American Neurological Associates, PC (collectively, the  
2 “LaRoque Family Providers”);

3 (4) Sound Physicians Emergency Medicine of Southern California, P.C. and  
4 Sound Physicians Anesthesiology of California, P.C. (collectively, the  
5 “Sound Physicians Providers”).

6 (FAC at 2.)

7 Plaintiffs’ claims arise out of the mandatory, independent dispute resolution  
8 (“IDR”) process to resolve certain types of billing disputes between health plans  
9 and out-of-network providers established by the federal No Surprises Act (“NSA”).

10 The FAC provides this overview of the NSA’s IDR process:

11 [T]he NSA created a separate framework outside the judicial process  
12 for health plans and providers to resolve specific types of eligible  
13 surprise billing disputes. See 42 U.S.C. § 300gg-111(c). The  
14 framework consists of (1) open negotiations—a required 30-business-  
15 day period to try resolving the dispute informally; (2) an IDR process  
16 for “qualified IDR items and services” if no agreement is reached; and  
17 (3) if applicable, a payment determination from private parties called  
18 certified IDR entities (“IDREs”).

17 (FAC at 12, ¶ 43.)

18 Most of the Defendants are healthcare providers. HaloMD “initiates and  
19 administers IDR proceedings on behalf of healthcare providers” like the other  
20 Defendants. (Id. at 4, ¶ 6.)

21 The FAC asserts the following federal claims:

22 Count One: Violations of the Racketeering Influenced and Corruption  
23 Organizations Act (“RICO”), 18 U.S.C. § 1962(d), against the LaRoque Family  
24 Providers, the HaloMD Defendants, and the MPOWERHealth Defendants (alleged  
25 to be the “LaRoque Family Enterprise”), based on allegations that these Defendants  
26 engaged in mail and wire fraud, or conspired in such fraud, by submitting billing  
27 disputes to the IDR process that they knew were ineligible, accompanied by false  
28 attestations of eligibility. (Id. at 3, ¶ 3; id. at 24, ¶ 93.)

1        Count Two: Similar violations of RICO, 18 U.S.C. § 1962(d), against the Sound  
2 Physicians Providers and HaloMD (alleged to be the “Sound Physicians  
3 Enterprise”).

4        Count Three: Similar violations of RICO, 18 U.S.C. § 1962(c), against the  
5 LaRoque Family Enterprise.

6        Count Four: Similar violations of RICO, 18 U.S.C. § 1962(c), against the Sound  
7 Physicians Enterprise.

8        Count Eleven: Vacatur of IDR determinations under the NSA, 42 U.S.C.  
9 § 300gg-111(c)(5)(E), against all Defendants.

10       Count Twelve: Equitable relief under the Employee Retirement Income  
11 Security Act of 1974 (“ERISA”), 29 U.S.C. § 1132(a)(3).

12       Count Thirteen: Declaratory and injunctive relief.

13                The FAC asserts the following state law claims:

14       Count Five: Fraudulent misrepresentation against all members of the LaRoque  
15 Family Enterprise.

16       Count Six: Fraudulent misrepresentation against all members of the Sound  
17 Physicians Enterprise.

18       Count Seven: Negligent misrepresentation against all members of the LaRoque  
19 Family Enterprise.

20       Count Eight: Negligent misrepresentation against all members of the Sound  
21 Physicians Enterprise.

22       Count Nine: Violations of the Unfair Competition Law (“UCL”) at California  
23 Business & Professions Code §§ 17200 et seq. against all members of the LaRoque  
24 Family Enterprise.

25       Count Ten: Violations of the UCL against all members of the Sound Physicians  
26 Enterprise.

27                Defendants responded to the FAC by filing the following motions:

28        ///

Dkt.	Motion	Movants	Briefs <sup>1</sup>
69	Motion to Dismiss FRCP 12(b)(1) & (6)	Sound Physicians Providers	Oppo: 93 Reply: 117
72	Motion to Dismiss FRCP 12(b)(2)	MPOWERHealth Practice Management, LLC	Oppo: 93 Reply: 123
73	Motion to Dismiss FRCP 12(b)(6)	MPOWERHealth Practice Management, LLC and LaRoque Family Providers	Oppo: 93 Reply: 124
76	Motion to Dismiss FRCP 12(b)(1), (2) & (6)	HaloMD	Oppo: 93 Reply: 120
77	Motion to Dismiss FRCP 12(b)(1), (2) & (6)	Alla & Scott Laroque	Oppo: 93 Reply: 121
68	Special Motion to Strike (Anti-SLAPP)	Sound Physicians Providers	Oppo: 92 Reply: 118
78	Special Motion to Strike (Anti-SLAPP)	HaloMD Defendants	Oppo: 92 Reply: 122
74	Joinder in Dkt. 68 & 78	MPOWERHealth Practice Management, LLC and LaRoque Family Providers	See above

On March 10, 2026, the Court held oral argument. (Dkt. 127 (minutes); Dkt. 132 (hearing transcript); Dkt. 134 (presentation decks).) For reasons explained in detail below, the Court:

- (1) GRANTS, without leave to amend, the motions to dismiss brought under Federal Rule of Civil Procedure 12(b)(6) challenging Count Eleven for vacatur (Dkt. 69, 73, 76, 77), because the facts alleged in the FAC establish no authorized basis for the district court to vacate any IDR determinations;
- (2) GRANTS, without leave to amend, the motions to dismiss brought under Federal Rule of Civil Procedure 12(b)(1) asserting lack of subject matter jurisdiction over the remaining federal claims (Dkt. 69, 76, 77)

---

<sup>1</sup> In addition to the briefs listed in the chart, the Court reviewed amicus briefs filed at Dkt. 80-1, 99, and 101.

1 because, aside from vacatur authorized by 42 U.S.C.

2 § 300gg111(c)(5)(E)(i)(II), the NSA precludes judicial review of IDR  
3 determinations, regardless of the legal theory under which judicial  
4 review is sought;

5 (3) DECLINES to exercise supplemental jurisdiction over the FAC’s state  
6 law claims and DISMISSES them without prejudice (see 28 U.S.C.  
7 § 1367(c)); and

8 (4) DENIES, without prejudice, the anti-SLAPP motions to strike the state  
9 law claims (Dkt. 68, 74, 78) as moot because the Court dismissed the  
10 state law claims rather than exercising supplemental jurisdiction.

## 11 II.

### 12 SUMMARY OF THE FAC’S FACTUAL ALLEGATIONS

#### 13 A. The NSA’s IDR Process.

14 “Effective January 1, 2022, the NSA banned surprise billing for three  
15 categories of out-of-network care: (1) emergency services; (2) non-emergency  
16 services at in-network facilities; and (3) air ambulance services. See 42 U.S.C.  
17 §§ 300gg-131, 300gg-132, 300gg-135.” (FAC at 12, ¶ 42.) When a health plan  
18 like Anthem receives a claim for out-of-network services subject to the NSA ...,  
19 the health plan is supposed to make “an initial payment or issue a notice of denial  
20 of payment within 30 days. See 42 U.S.C. § 300gg-111(a)(1)(C)(iv)(I).” (Id. ¶ 44.)

21 “If the provider is dissatisfied with the initial payment, then the provider or  
22 its designee may initiate open negotiations with the health plan by providing  
23 formal written notice to the health plan within 30 business days of the initial  
24 payment or notice of denial. 42 U.S.C. § 300gg-111(c)(1)(A).” (Id. ¶ 45.) “After  
25 initiating open negotiations, the provider must attempt in good faith to negotiate a  
26 resolution with the health plan over the 30-business-day open negotiations period.”  
27 (Id. at 12-13, ¶ 45.) “If the provider initiates and exhausts the 30-day open  
28 negotiations period, and ‘the open negotiations ... do not result in a determination

1 of an amount of payment for [the] item or service,’ then the provider may initiate  
2 the IDR process. See 42 U.S.C. § 300gg-111(c)(1)(B); 45 C.F.R. § 149.510(b)(2)(i).”  
3 (Id. at 13, ¶ 46.) Providers must initiate the IDR process within four business days  
4 after exhausting the open negotiations period. (Id.)

5 “When initiating the IDR process, providers must, among other things,  
6 submit an attestation that the items and services in dispute are qualified IDR items  
7 or services within the scope of the IDR process.” (Id. at 15, ¶ 53.) To be qualified,  
8 the following conditions must be met:

- 9 a. The underlying services are within the NSA’s scope, meaning they  
10 are out-of-network emergency services, non-emergency services at  
11 participating facilities, or air ambulance services;
- 12 b. The services involve a patient with healthcare coverage through a  
13 group plan or health insurer subject to the NSA (e.g., not coverage  
14 through government programs like Medicare or Medicaid);
- 15 c. A state surprise billing law (referred to as a “specified state law” in  
16 the NSA) does not apply to the dispute;
- 17 d. The underlying services were covered by the patient’s health  
18 benefit plan (i.e., payment was not denied);
- 19 e. The patient did not waive the NSA’s balance billing protections;
- 20 f. The provider initiated and exhausted open negotiations;
- 21 g. The provider initiated the IDR process within 4 business days after  
22 the open negotiations period was exhausted; and
- 23 h. The provider has not had a previous IDR determination on the  
24 same services and against the same payor in the previous 90  
25 calendar days.

26 (Id. at 13-14, ¶ 48 (citing 42 U.S.C. § 300gg-111(c)(1)(B); 45 C.F.R. § 149.510(a)(2)(xi),  
27 (b)(2)).)

28 Providers initiating the IDR process must do so “online through a federal

1 ‘IDR Portal.’” (Id. at 16, ¶ 54.) The initiating party must agree to certain terms  
2 and conditions, including a notice that they will need to submit an “[a]ttestation  
3 that qualified IDR items or services are within the scope of the Federal IDR  
4 process.” (Id. ¶ 58.) “After agreeing to the terms and conditions, initiating parties  
5 must answer certain ‘Qualification Questions’ through an online form. If the  
6 answers to the Qualification Questions indicate that the dispute is not eligible for  
7 IDR, the form will provide an alert and prevent the initiating party from  
8 proceeding.” (Id. at 17, ¶ 59.) “After successfully completing the Qualification  
9 Questions, the initiating party is asked to complete the Notice of IDR Initiation  
10 Form,” which requires inputting “a variety of relevant information.” (Id. at 18,  
11 ¶ 63.) At the end of this process, the initiating party must attest, via electronic  
12 signature, that the “item(s) and/or service(s) at issue are qualified item(s) and/or  
13 services(s) within the scope of the Federal IDR process.” (Id. ¶ 64.)

14 A copy of the Notice of IDR Initiation is sent electronically to “the non-  
15 initiating party (i.e., the health plan), the IDRE, and the Departments.”<sup>2</sup> (Id. ¶ 65.)  
16 “[T]he parties select, or HHS appoints, an IDRE. 42 U.S.C. § 300gg-111(c)(4)(F).”  
17 (Id. at 19-20, ¶ 72.) The IDRE is directed by regulation to “‘determine whether the  
18 Federal IDR process applies.’ 45 C.F.R. § 149.510(c)(1)(v).” (Id. at 20, ¶ 73.)  
19 Guidance published by the government agencies that oversee the IDR process  
20 instruct non-initiating parties who believe that the IDR process does not apply how  
21 to submit relevant information through the portal. (Dkt. 76-5 at 18, § 5.5.<sup>3</sup>) The  
22

---

23 <sup>2</sup> The FAC defines the “Departments” as the Department of Health and  
24 Human Services (“HSS”), the Department of Labor, and the Department of the  
25 Treasury. (FAC at 15 n.9.) The Centers for Medicare & Medicaid Services  
26 (“CMS”) is the federal agency within HSS primarily charged with implementing  
the IDR process. (Id. ¶ 52.)

27 <sup>3</sup> The Court GRANTS the request for judicial notice (Dkt. 76-2) and  
28 considers the guidance documents as a factual description of how the IDR process  
is supposed to work, not as evidence of how it actually worked for any particular

1 IDRE “must determine whether the Federal IDR Process is applicable.” (Id.)  
2 IDREs can and do reject some disputes as ineligible for IDR. (FAC at 22, ¶ 80  
3 (citing 42 U.S.C. § 300gg-111(c)(5)(F)).)

4 “[I]f the IDRE determines the IDR process applies, then the IDRE proceeds  
5 to a payment determination. 42 U.S.C. § 300gg-111(c)(5)(A).” (Id. at 20, ¶ 74.)

6 “IDR payment determinations resemble a baseball-style dispute resolution where  
7 the provider and health plan each submit an offer, and the IDRE selects one party’s  
8 offer as the out-of-network rate. 42 U.S.C. § 300gg-111(c)(5)(B).” (Id. ¶ 75.)

9 “An IDR determination for a ‘qualified IDR item or service’ is ‘binding’ unless  
10 there was ‘a fraudulent claim or evidence of misrepresentation of facts presented to  
11 the IDR entity involved regarding such claim[.]’ 42 U.S.C. § 300gg-111(c)(5)(E)(i).”

12 (Id. at 21, ¶ 77.) There is, however, a “process for reopening disputes to correct  
13 errors” and rescind payment determinations, including errors in eligibility

14 determinations. (Dkt. 76-8 at 2, 4.) Additionally, the government can revoke an  
15 IDRE’s certification for submitting false data or exhibiting a “pattern or practice of  
16 noncompliance” with the applicable requirements. (Dkt. 76-6 at 37, § 12.)

17 “Parties to IDR proceedings are responsible for payment of two fees. First,  
18 both parties must pay a non-refundable administrative fee—currently \$115—when  
19 the dispute is initiated. This fee is not recoverable even when the IDRE determines  
20 that the dispute does not qualify for IDR, or even when the initiating party later  
21 voluntarily withdraws the dispute. Second, both parties must pay an IDRE fee  
22 before the IDRE makes the payment determination. The IDRE fee is set by the  
23 specific IDRE and depends on the type of IDR submitted, but ranges from \$200 to  
24 \$1,173.” (FAC at 21, ¶ 79.) The non-prevailing party is responsible for paying  
25 both its administrative fee and the whole IDRE fee. (Id. at 21-22, ¶ 79.)

26  
27 \_\_\_\_\_  
28 billing dispute.

1 **B. Defendants’ Alleged Wrongdoing.**

2 Plaintiffs allege that Defendants use three “tactics” to turn the NSA’s IDR  
3 process “into a vehicle for fraud.” (*Id.* at 25, ¶ 94.) First, “Defendants manipulate  
4 the IDR process by strategically submitting massive numbers of open negotiations  
5 and IDR initiations—hundreds of which are patently ineligible for IDR—in an  
6 attempt to overwhelm the ability of health plans like Anthem to contest claims,  
7 confuse and swamp IDREs, and manipulate the IDR process.” (*Id.* at 24, ¶ 93.)  
8 The NSA does not impose a numeric limit on IDR claims, but it does have  
9 batching rules. (*Id.* at 53, ¶ 226; Dkt. 76-5 at 22, § 6.1.3.)

10 Second, “Defendants capitalize on flaws in the IDR process by submitting—  
11 and often prevailing with—outrageous payment offers that they could never  
12 receive on the open market, including many that exceed the Provider Defendants’<sup>[4]</sup>  
13 own billed charges.” (FAC at 24, ¶ 93.) As discussed above, the mandatory IDR  
14 process is a baseball-style arbitration where the IDRE must pick the more  
15 reasonable number based on certain authorized considerations. (*Id.* at 20, ¶ 75.)

16 Third, “Defendants make repeated false statements, representations, and  
17 attestations of eligibility to Anthem, the IDREs, and the Departments” via the  
18 submission portal. (*Id.* at 24, ¶ 93.) Plaintiffs allege that between January 2024  
19 and August 2025, Defendants initiated at least 1,500 IDR proceedings against  
20 Anthem consisting of more than 2,000 separate services. (*Id.* at 32-33, ¶ 127.)  
21 Plaintiffs “determined that approximately 47 percent of these disputes were  
22 ineligible for IDR ....” (*Id.* at 33, ¶ 128.) But in many of those cases, the IDREs  
23 found the claim eligibility despite Anthem’s evidence, so “Defendants illicitly  
24 secured millions of dollars in improper IDR awards.” (*Id.*) Plaintiffs allege that  
25 the IDREs routinely make errors in eligibility determinations because (1) they are  
26

---

27 <sup>4</sup> The FAC defines “Provider Defendants” to include the LaRoque Family  
28 Providers and the Sound Physicians Providers. (FAC at 2.)

1 only compensated when a dispute reaches a payment determination, and (2) they  
 2 are overwhelmed by a “staggering volume of disputes” and “cannot complete  
 3 fulsome reviews [of eligibility evidence] in the timeline provided by the NSA.”  
 4 (Id. at 22, ¶ 80; id. at 28, ¶¶ 105-06.)

5 The FAC describes the following eleven IDR determinations as examples of  
 6 outcomes that IDREs wrongly decided because of these tactics:

	No.	Defendant	Ineligibility Reason
1	DISP-918898	Bruin Neuro-physiology	Plaintiff Anthem Blue Cross Life and Health Insurance Company (“ABCLH”) “submitted an objection to eligibility asserting that Bruin had not filed its IDR proceeding within the required time.” FAC at 44, ¶ 171.
2	DISP-1455557	North American Neurological Associates (“NANA”)	“Anthem Payment Disputes, on behalf of ABCLH, submitted an objection to eligibility” stating that NANA “failed to engage in the 30-business day open negotiation period.” <u>Id.</u> at 44-45, ¶ 176.
3	DISP-1455555	NANA	Same as above. <u>Id.</u> at 45-46, ¶ 181.
4	DISP-2193991	N Express	Plaintiff Anthem Blue Cross (“ABC”) “submitted an objection to eligibility” stating that the claim was “ineligible for IDR under the NSA because a state surprise billing law applies.” <u>Id.</u> at 46-47, ¶ 187.
5	DISP-2193967	N Express	Same as above. <u>Id.</u> at 47, ¶ 193.
6	DISP-945678	N Express	Same as above. <u>Id.</u> at 48, ¶ 199.
7	DISP-937342	iNeurology	ABC told HaloMD that the service was ineligible because it was “a service for which no plan benefits were payable in the first place,” but HaloMD still initiated IDR. <u>Id.</u> at 49, ¶¶ 203-05.
8	DISP-932222	Sound Physicians Emergency Medicine of Southern California (“SPEMSC”)	“The notice of open negotiation attached a spreadsheet with dozens of claims ....” <u>Id.</u> at 53, ¶ 226. The claims were for services “rendered to members of self-funded Anthem plans and non-Anthem plans in addition to the services rendered to a member of a fully insured Anthem plan.” <u>Id.</u> at 54, ¶ 227. Plaintiffs

1			objected to the IDR initiation, stating, “Batched services include multiple Membership types.” <u>Id.</u> ¶ 228.	
2				
3	9	DISP-1289721	SPEMSC	ABC “submitted an objection to eligibility” stating that the claim was “ineligible for IDR under the NSA because it involved a Medicare/ Medicaid claim ....” <u>Id.</u> at 55, ¶ 234.
4				
5				
6	10	DISP-1568233	SPEMSC	ABCLH “submitted an objection to eligibility” stating that the claim was ineligible for IDR under the NSA because “a state surprise billing law applies.” <u>Id.</u> at 56, ¶ 240.
7				
8				
9	11	DISP-2639953	Sound Physicians Anesthesiology of California	ABC “submitted an objection to eligibility” stating that the claim was ineligible for IDR under the NSA because “a state surprise billing law applies.” <u>Id.</u> at 57, ¶ 247.
10				
11				
12				

**III.**

**DISCUSSION**

**A. Count Eleven: Vacatur.**

**1. Applicable Law.**

The NSA’s provision for baseball-style arbitration requires the IDRE to select one of the party’s offers to resolve qualified IDR billing disputes, as follows:

(5) Payment Determination

(A) In general

Not later than 30 days after the date of selection of the certified IDR entity with respect to a determination for a qualified IDR item or service, the certified IDR entity shall—

- (i) taking into account the considerations specified in subparagraph (C), select one of the offers submitted under subparagraph (B) to be the amount of payment for such item or service determined under this subsection for purposes of subsection (a)(1) or (b)(1), as applicable; and
- (ii) notify the provider or facility and the group health plan or health insurance issuer offering group or individual health insurance coverage party to such determination of the offer selected under clause (i).

42 U.S.C. § 300gg111(c)(5)(A).

1 The NSA limits judicial review of IDRE determinations, as follows:

2 (E) Effects of determination

3 (i) In general

4 A determination of a certified IDR entity under subparagraph (A) —

5 (I) shall be binding upon the parties involved, in the absence of a  
6 fraudulent claim or evidence of misrepresentation of facts  
7 presented to the IDR entity involved regarding such claim; and

8 (II) ***shall not be subject to judicial review, except in a case  
9 described in any of paragraphs (1) through (4) of section  
10 10(a) of title 9.***

11 42 U.S.C. § 300gg111(c)(5)(E)(i) (emphasis added). The reference to “paragraphs  
12 (1) through (4) of section 10(a) of title 9” is a reference to the Federal Arbitration  
13 Act (“FAA”). Those paragraphs describe the four circumstances under which a  
14 district court can vacate an arbitrator’s award under the FAA, as follows:

15 (a) In any of the following cases the United States court in and for the  
16 district wherein the award was made may make an order vacating the  
17 award upon the application of any party to the arbitration—

18 (1) where the award was procured by corruption, ***fraud***, or  
19 ***undue means***;

20 (2) where there was evident partiality or corruption in the  
21 arbitrators, or either of them;

22 (3) where the arbitrators were guilty of misconduct in refusing  
23 to postpone the hearing, upon sufficient cause shown, or in refusing  
24 to hear evidence pertinent and material to the controversy; or of any  
25 other misbehavior by which the rights of any party have been  
26 prejudiced; or

27 (4) where ***the arbitrators exceeded their powers***, or so  
28 imperfectly executed them that a mutual, final, and definite award  
upon the subject matter submitted was not made.

9 U.S.C. § 10(a)(1)-(4) (emphasis added to identify the grounds for vacatur alleged  
in the FAC at 85, ¶¶ 357-58).

While the NSA is a recent law, Congress enacted the FAA years ago. As a  
result, case law defines what circumstances satisfy subparagraphs (1) and (4). A  
party moving for vacatur under § 10(a)(1) must establish: (1) fraud, by clear and  
convincing evidence, (2) which was not discoverable upon the exercise of due

1 diligence prior to or during the arbitration, and (3) which was materially related to  
2 an issue in the arbitration. Pac. & Arctic Ry. & Navigation Co. v. United Transp.  
3 Union, 952 F.2d 1144, 1148 (9th Cir. 1991). “[W]here the fraud or undue means is  
4 not only discoverable, but discovered and brought to the attention of the arbitrators,  
5 a disappointed party will not be given a second bite at the apple.” A.G. Edwards &  
6 Sons, Inc. v. McCollough, 967 F.2d 1401, 1404 (9th Cir. 1992).

7 “Undue means” in the context of § 10(a)(1) refers to conduct that “is immoral  
8 if not illegal.” Id. at 1403. Vacatur under this provision “requires a showing of  
9 bad faith during the arbitration proceedings, such as bribery, undisclosed bias of  
10 the arbitrator, or willfully destroying evidence, and further requires that such  
11 evidence of fraud was unavailable to the arbitrator during the course of the  
12 proceeding.” Dandong Shuguang Axel Corp. v. Brilliance Mach. Co., No. C 00-  
13 4480 SC, 2001 WL 637446, at \*5, 2001 U.S. Dist. LEXIS 7493, at \*18 (N.D. Cal.  
14 June 1, 2001) (citation omitted). Like fraud, the undue means must be (1) not  
15 discoverable upon the exercise of due diligence prior to or during the arbitration,  
16 (2) materially related to an issue in the arbitration, and (3) established by clear and  
17 convincing evidence. A.G. Edwards, 967 F.2d at 1404.

18 For vacatur under § 10(a)(4), arbitrators “exceed their powers when they  
19 express a ‘manifest disregard of law,’ or when they issue an award that is  
20 ‘completely irrational.’” Bosack v. Soward, 586 F.3d 1096, 1104 (9th Cir. 2009)  
21 (citation omitted). “For an arbitrator’s award to be in manifest disregard of the  
22 law, it must be clear from the record that the arbitrator recognized the applicable  
23 law and then ignored it.” Id. (citation modified). Mere “misinterpretations of the  
24 law” do not justify vacatur. French v. Merrill Lynch, Pierce, Fenner & Smith, Inc.,  
25 784 F.2d 902, 906 (9th Cir. 1986).

26 Sometimes an arbitration agreement delegates the issue of arbitrability to the  
27 arbitrator. When that happens, “the arbitrator’s interpretation of the scope of his  
28 powers is entitled to the same level of deference as his determination on the

1 merits.” See Schoenduve Corp. v. Lucent Techs., Inc., 442 F.3d 727, 733 (9th Cir.  
2 2006).

### 3 **2. Relevant Allegations.**

4 Plaintiffs seek “vacatur of individual IDR determinations under 42 U.S.C.  
5 § 300gg-111(c)(5)(E)” because “[e]ach individual IDR determination at issue” was  
6 procured by fraud and undue means in the form of false eligibility attestations, and  
7 “the IDREs exceeded their powers by issuing payment determinations on items and  
8 services that are not qualified IDR items and services within the scope of the  
9 NSA’s IDR process.” (FAC at 85, ¶¶ 356-58.) Plaintiffs do not list all the IDR  
10 determinations they seek to vacate, but they allege that “the list of IDR payment  
11 determinations subject to vacatur is expected to increase during the pendency of  
12 the case.” (Id. ¶ 359.) Plaintiffs pray for “vacatur of the underlying IDR  
13 determinations.” (Id. at 88 (prayer for relief).)

### 14 **3. Analysis.**

15 Plaintiffs argue, “Anthem is seeking judicial review of Defendants’ NSA  
16 Schemes, and not any individual IDRE payment determination.” (Dkt. 93 at 48.)  
17 But Plaintiffs’ claim for vacatur, while pled in the alternative, seeks to vacate  
18 “each individual IDR determination at issue.” (FAC at 85, ¶ 356.) Plaintiffs’ other  
19 fraud-based claims, like RICO, could not be litigated without deciding whether  
20 Defendants made false eligibility attestations, a decision that would necessarily re-  
21 examine eligibility determinations made by IDREs.

#### 22 a. Fraud.

23 First, Plaintiffs urge the Court not to follow the above-cited Ninth Circuit  
24 cases and instead look to Eleventh Circuit cases. (Dkt. 93 at 49.) But Ninth  
25 Circuit cases are binding on this district court.

26 Next, Plaintiffs argue that the requirements discussed in Pacific & Artic  
27 Railway and A.G. Edwards cannot be fairly applied to the NSA IDR process  
28 because the Ninth Circuit test “presumes the existence of an opportunity to litigate

1 the alleged fraud” before the arbitrator. (Id.) Plaintiffs did not allege facts showing  
2 that Anthem cannot litigate eligibility within the IDR process. Indeed, the FAC’s  
3 allegations show that participants in the IDR process can tell the IDRE if they  
4 believe a dispute is ineligible and why. (FAC at 30, ¶¶ 115, 118 (describing how  
5 Anthem objects to unqualified items).) “The baseball-style dispute resolution  
6 process ... is premised on the notion that ineligible claims will be weeded out at  
7 the outset.” (Id. at 30, ¶ 113; see also Dkt. 76-5 at 18, § 5.5 (“If the non-initiating  
8 party believes that the Federal IDR Process is not applicable, the non-initiating  
9 party must notify the Departments by submitting the relevant information through  
10 the Federal IDR portal as part of the certified IDR entity selection process.”).

11 Plaintiffs objected to eligibility for all the sample determinations identified  
12 in the FAC and summarized in the chart on pages 10 to 11, above. IDREs are  
13 instructed that they “must determine whether the Federal IDR Process is  
14 applicable.” (Dkt. 76-5 at 18, § 5.5.) IDREs can, and sometimes do, determine  
15 that a billing dispute is not eligible. (FAC at 30, ¶ 115 (alleging that most, but not  
16 all, of “Defendants’ ineligible disputes reach a payment determination” despite  
17 “Anthem’s objections”).)

18 Plaintiffs point to procedural rules for arbitration in other forums, such as  
19 rules providing for in-person hearings, cross-examination, and written decisions  
20 explaining the arbitrator’s reasoning. (Dkt. 93 at 49.) But such procedures are not  
21 necessary to bring allegedly fraudulent eligibility attestations to an IDRE’s attention.  
22 If the Court were to adopt Plaintiffs’ position, then nearly every eligibility  
23 determination disputed by an IDR participant would be subject to review in federal  
24 court. That would be inconsistent with the NSA’s creation of a streamlined IDR  
25 process for resolving surprise billing disputes and its limitations on judicial review.

26 As aptly put by the Sound Physicians Providers, by alleging that Plaintiffs  
27 knew about the false eligibility attestations and objected, “Anthem has pleaded  
28 itself out of court,” at least as to vacatur based on fraud, because the “fraud” was

1 known during the IDR and disclosed to the IDRE. (Dkt. 69-1 at 22.) As a result,  
2 the FAC’s allegations, even if accepted as true, do not establish the kind of “fraud”  
3 that justifies vacatur under § 10(a)(1). Plaintiffs have not identified even one  
4 example of an IDR determination for which they could amend and allege that a  
5 Defendant made a false eligibility attestation based on facts that Plaintiffs did not  
6 know, and could not reasonably have known, before or during the IDR process.

7 b. Undue Means.

8 Plaintiffs argue that the IDREs are “financially incentivized” to disregard  
9 objections to eligibility. (Dkt. 93 at 50.) The FAC describes how IDREs only  
10 receive fees if they find a dispute eligible. (FAC at 22, ¶ 80; *id.* at 30, ¶ 116.) But  
11 this fee structure is part of the IDR rules established by Congress. See 42 U.S.C.  
12 § 300gg-111(c)(5)(F). Such financial incentives are not akin to bad faith or bribery.  
13 In any event, the FAC does not allege that improper financial incentives motivated  
14 an IDRE’s decision-making for any particular award. Plaintiffs have not suggested  
15 that they could amend and add such facts.

16 c. Excess of Authority.

17 Plaintiffs argue that they are “entitled to judicial review where, as here, the  
18 IDREs ‘exceeded their powers’ by issuing payment determinations on disputes that  
19 were ineligible for IDR.” (Dkt. 93 at 48.) The FAC alleges that IDREs issued  
20 hundreds of payment determinations for services that were not a qualified IDR  
21 item or service. (FAC at 33, ¶ 128 (referring to 47% of 1,500 IDR proceedings).)

22 The IDREs, however, are authorized to decide eligibility. “First, the IDRE  
23 is directed by regulation (though not by the Act itself) to ‘determine whether the  
24 Federal IDR process applies.’ 45 C.F.R. § 149.510(c)(1)(v).” (*Id.* at 20, ¶ 73.) It  
25 makes no difference whether the directive to first determine eligibility is in the  
26 NSA’s text or the implementing regulations.

27 The moving parties cite Reach Air Med. Servs. LLC v. Kaiser Found. Health  
28 Plan Inc., 160 F.4th 1110, 1114 (11th Cir. 2025). In that case, a medical service

1 provider (an air ambulance) challenged an IDR award in which the IDRE chose  
2 Kaiser’s number. Reach Air, 160 F.4th at 1114-15. The air ambulance company  
3 sued to vacate the award under § 10(a)(4), alleging that the IDRE exceeded its  
4 authority “by applying an illegal presumption in favor of Kaiser.” Id. at 1119. The  
5 Eleventh Circuit noted, “An arbitrator’s actual reasoning is of such little importance  
6 to our review that it need not be explained .... Our sole question under § 10(a)(4)  
7 is whether the arbitrator (even arguably) performed the assigned task, not whether  
8 she got the outcome right or wrong.” Id. at 1120 (citation modified). The examples  
9 given included “awarding relief on a statutory claim when the arbitration agreement  
10 allows only for arbitration of contractual claims” or “failing to give preclusive  
11 effect to an issue previously decided by a court.” Id.

12 Here, Plaintiffs argue that IDREs have issued awards for ineligible claims  
13 and thus strayed from their “assigned task.” (Dkt. 93 at 48 n.11.) But movants  
14 counter that part of the IDREs’ assigned task is to decide eligibility. (Dkt. 117 at  
15 19.) Plaintiffs do not (and cannot) allege that IDREs failed to rule in Anthem’s  
16 favor in the complete absence of factual support for eligibility, because Plaintiffs  
17 allege that Defendants consistently represent (albeit falsely) to the IDREs that the  
18 claims are eligible. (FAC at 3, ¶ 3; id. at 23, ¶ 90.) Such allegations collapse the  
19 analysis under § 10(a)(4) into the same test as § 10(a)(1). Plaintiffs raised  
20 Defendants’ allegedly false eligibility attestations to the IDREs, and the IDREs  
21 were authorized to determine eligibility. This means that judicial review of the  
22 IDREs’ eligibility determinations premised on the same allegedly false eligibility  
23 attestations is not available. Pac. & Arctic Ry., 952 F.2d at 1148.

24 Because Plaintiffs’ allegations do not meet the substantive requirements for  
25 claiming vacatur under 9 U.S.C. § 10(a)(1) or (4), the Court need not decide whether  
26 any of the FAA’s procedural requirements for seeking vacatur (like timing and  
27  
28

venue) apply to claims seeking vacatur of NSA IDRE determinations.<sup>5</sup>

**B. Subject Matter Jurisdiction over Remaining Federal Counts (1-4, 12, 13).**

Movants argue that the NSA’s above-discussed limitations on judicial review bar the Court from exercising subject matter jurisdiction over Plaintiffs’ other federal claims, because those claims seek review of IDRE determinations, regardless of the legal label. (Dkt. 69-1 at 26.) None of Plaintiffs’ responses to this argument (discussed below) are persuasive.

**1. The Statutory Interpretation Argument.**

In a novel argument unsupported by any case law, Plaintiffs contend that the NSA’s limitations on judicial review apply only to “[a] determination of a certified IDR entity *under subparagraph (A)*,” and subparagraph (A) refers only to payment determinations, not eligibility determinations. (Dkt. 93 at 43 (emphasis added).) But as set forth in full above, subparagraph (A) refers to “a determination for a qualified IDR item or service.” 42 U.S.C. § 300gg111(c)(5)(A). An IDRE’s payment determination necessarily includes a determination of eligibility. Plaintiffs’ proposed reading of 42 U.S.C. § 300gg111(c)(5)(E)(i), which would impose *no* limits on judicial review of IDREs’ eligibility determinations, would be clearly contrary to the streamlined dispute resolution process that Congress intended when it created the NSA’s IDR process.

**2. The Policy Argument.**

Next, Plaintiffs urge the Court not to apply the NSA’s limits on judicial review because the IDR process is deeply flawed and there is no readily available remedy for erroneous IDR awards. (Dkt. 93 at 23-27.) But such policy-based arguments would be better directed at Congress which alone has the power to

---

<sup>5</sup> Count Eleven also fails because the alleged fraud is not pled with specificity as to every challenged IDR determination, as required by Federal Rule of Civil Procedure 9(b). This order does not rely on Rule 9(b), because non-compliance with Rule 9(b) could potentially be cured by amendment.

1 rewrite the NSA. Moreover, the FAC alleges that false attestations to the federal  
2 government can violate 18 U.S.C. § 1001, providing a strong incentive against  
3 making false attestations. (FAC at 18-19, ¶ 67.)

### 4 **3. The “Outside the Scope” Argument.**

5 Next, Plaintiffs argue that the NSA’s limits on judicial review apply only to  
6 claims seeking to vacate IDR awards, but Plaintiffs’ claims for monetary damages  
7 for time spent addressing fraudulent submissions and for prospective injunctive  
8 relief can be adjudicated without reviewing any IDR awards. (Dkt. 93 at 51-52.)  
9 Therefore, Plaintiffs argue that their claims fall outside the scope of the NSA’s  
10 jurisdiction-stripping provisions. (Id.)

11 Plaintiffs’ federal claims cannot be adjudicated without reviewing the  
12 correctness of past IDR awards or inserting the district court in overseeing future  
13 IDR awards. The district court could not, for example, award damages measured  
14 by time spent addressing a fraudulent eligibility attestation without first deciding  
15 that the eligibility attestation was false. Similarly, the district court could not order  
16 Defendants to pay damages measured by IDR administrative fees for disputes  
17 ineligible for the IDR process without first deciding that the dispute was ineligible  
18 for IDR. And if, for example, the district court entered a follow-the-law injunction  
19 that prohibited Defendants from making future false eligibility attestations, then  
20 Plaintiffs would be able to come back into court to request a contempt remedy for  
21 violations of such an injunction, a remedy that would require litigating whether the  
22 challenged attestation was false. These theories are all end runs around the NSA’s  
23 limits on judicial review.

### 24 **4. The “Other Statutory Basis” Argument.**

25 Plaintiffs argue that jurisdiction to hear its federal claims is conferred by  
26 ERISA or the federal Declaratory Judgment Act. (Dkt. 93 at 84.) These laws  
27 generally provide that district courts can hear certain kinds of claims, but neither  
28 specifically allows claims that require judicial review of IDR awards, as Plaintiffs’

1 federal claims do. These federal laws’ general jurisdictional language does not  
2 supplant the NSA’s specific limitations on judicial review.

3 **C. Supplemental Jurisdiction over Counts 5-10.**

4 The Court has discretion to exercise supplemental jurisdiction over state law  
5 claims that do not, themselves, have a basis for federal subject matter jurisdiction  
6 once the Court has dismissed the claims over which it has original jurisdiction. 28  
7 U.S.C. § 1367(c)(3). Here, Plaintiffs’ federal claims all fail for the reasons stated  
8 above. The Court declines to exercise supplemental jurisdiction over Plaintiffs’  
9 remaining state law claims.

10 **D. The Anti-SLAPP Motions.**

11 “California law provides for the pre-trial dismissal of certain actions, known  
12 as Strategic Lawsuits Against Public Participation, or SLAPPs, that masquerade as  
13 ordinary lawsuits but are intended to deter ordinary people from exercising their  
14 political or legal rights or to punish them for doing so.” Planet Aid, Inc. v. Reveal,  
15 44 F.4th 918, 923 (9th Cir. 2022) (quoting Makaeff v. Trump Univ., LLC, 715 F.3d  
16 254, 261 (9th Cir. 2013)); see Cal. Civ. Proc. Code § 425.16. The Ninth Circuit  
17 has held that California Code of Civil Procedure section 425.16 is, in part, a  
18 substantive law that applies in federal court to state law claims. See United States  
19 ex rel. Newsham v. Lockheed Missiles & Space Co., 190 F.3d 963, 972-73 (9th  
20 Cir. 1999).

21 To prevail on an anti-SLAPP motion, “the moving defendant must make a  
22 prima facie showing that the plaintiff’s suit arises from an act in furtherance of the  
23 defendant’s constitutional right to free speech.” Makaeff, 715 F.3d at 261. “Once  
24 it is determined that an act in furtherance of protected expression is being  
25 challenged, the plaintiff must show a ‘reasonable probability’ of prevailing in its  
26 claims for those claims to survive dismissal.” Metabolife Int’l, Inc. v. Wornick,  
27 264 F.3d 832, 840 (9th Cir. 2001) (citation omitted); see also Makaeff, 715 F.3d at  
28 261. Under this standard, “the claim should be dismissed if the plaintiff presents

1 an insufficient legal basis for it, or if, on the basis of the facts shown by the  
2 plaintiff, ‘no reasonable jury could find for the plaintiff.’” Makaeff, 715 F.3d at  
3 261 (quoting Metabolife, 264 F.3d at 840).

4 Here, movants argue (primarily) that all of Plaintiffs’ state law claims  
5 (1) arise from petitioning activity protected by the First Amendment and (2) are  
6 unlikely to succeed because the same limitations on judicial review that deprive the  
7 Court of jurisdiction over Plaintiffs’ federal claims apply equally to Plaintiffs’ state  
8 law claims. (Dkt. 68, 78.)

9 The Court has already dismissed the state law claims, exercising its  
10 discretion under 28 U.S.C. § 1367(c)(3) not to assert supplemental jurisdiction.  
11 Without any state law claims, district courts may properly decline to address anti-  
12 SLAPP motions. See Hilton v. Hallmark Cards, 599 F.3d 894, 901 (9th Cir. 2010)  
13 (“[A] federal court can only entertain anti-SLAPP special motions to strike in  
14 connection with state law claims ....”); McMillan v. Chaker, 791 F. App’x 666,  
15 667 (9th Cir. 2020) (holding that the district court, after dismissing all federal  
16 claims, did not abuse its discretion in not exercising supplemental jurisdiction over  
17 the remaining state law claims and not addressing the anti-SLAPP motion).

18 Movants urge the Court to retain jurisdiction to rule on the anti-SLAPP  
19 motions. The Court declines to do so. Applying California’s anti-SLAPP law  
20 requires analysis under the two-part test described above, which goes beyond the  
21 analysis needed to dismiss the federal claims. Furthermore, Plaintiffs ask the Court  
22 to consider (1) a new Supreme Court decision that Plaintiffs believe limits or  
23 eliminates anti-SLAPP motions in federal court, and (2) the timing of the motions,  
24 both issues the Court need not reach if it declines to retain jurisdiction. (Dkt. 92 at  
25 13-14, 23.) Finally, the Court has inherent power “to control the disposition of the  
26 causes on its docket with economy of time and effort for itself, for counsel, and for  
27 litigants.” Landis v. N. Am. Co., 299 U.S. 248, 254 (1936). Declining to address  
28 the anti-SLAPP motions serves the interest of judicial economy.

1 **E. Leave to Amend.**

2 If a district court finds that a complaint should be dismissed for failure to  
3 state a claim, the court has discretion to dismiss with or without leave to amend.  
4 Lopez v. Smith, 203 F.3d 1122, 1126-30 (9th Cir. 2000) (en banc). The court may  
5 dismiss a complaint without leave to amend if further amendment would be futile.  
6 Cahill v. Liberty Mut. Ins. Co., 80 F.3d 336, 339 (9th Cir. 1996). If, after careful  
7 consideration, it is clear that a complaint cannot be cured by amendment, then the  
8 district court may dismiss without leave to amend. See, e.g., Chaset v. Fleeer/Skybox  
9 Int'l, 300 F.3d 1083, 1088 (9th Cir. 2002) (holding that “there is no need to prolong  
10 the litigation by permitting further amendment” where the “basic flaw” in the  
11 pleading cannot be cured by amendment).

12 Plaintiffs request leave to amend. (Dkt. 93 at 87.) But in neither briefing  
13 nor oral argument have Plaintiffs identified any facts that they could add that  
14 would (1) qualify a particular IDE determination for vacatur or (2) put its other  
15 federal claims beyond the jurisdiction-stripping provisions of 42 U.S.C.  
16 § 300gg111(c)(5)(E)(i)(II). Since leave to amend would be futile, the Court  
17 declines to grant leave to amend.

18 **V.**

19 **CONCLUSION**

20 Based on the foregoing, **IT IS ORDERED** that (1) the motions to dismiss  
21 (Dkt. 69, 73, 76, 77) shall be granted for the reasons stated above; (2) all other  
22 pending motions (Dkt. 68, 72, 74, 78) shall be denied as moot; and (3) the FAC  
23 shall be dismissed in its entirety, without leave to amend.

24  
25 DATED: April 9, 2026

26   
27 KAREN E. SCOTT  
28 United States Magistrate Judge

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Amir Shlesinger (SBN 20413)  
ashlesinger@crowell.com  
2 CROWELL & MORING LLP  
515 South Flower Street, 41st Floor  
3 Los Angeles, CA 90071-1514  
Telephone: 213.443.5507  
4  
5 Martin J. Bishop (*pro hac vice*)  
mbishop@crowell.com  
Illinois Bar No. 6269425  
6 Alexandra M. Lucas (*pro hac vice*)  
alucas@crowell.com  
7 Illinois Bar No. 6313385  
Jason T. Mayer (*pro hac vice*)  
8 jmayer@crowell.com  
Illinois Bar No. 6309633  
9 CROWELL & MORING LLP  
455 North Cityfront Plaza Dr., Suite 3600  
10 Chicago, IL 60611  
Tel: 312.321.4200

11 *Attorneys for Plaintiffs*

12  
13 UNITED STATES DISTRICT COURT  
14 CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION  
15

16 ANTHEM BLUE CROSS LIFE AND  
HEALTH INSURANCE COMPANY, a  
17 California corporation; and BLUE CROSS  
OF CALIFORNIA DBA ANTHEM  
18 BLUE CROSS, a California corporation,

19 Plaintiffs,

20 vs.

21 HALOMD, LLC; ALLA LAROQUE;  
SCOTT LAROQUE; MPOWERHEALTH  
22 PRACTICE MANAGEMENT, LLC;  
BRUIN NEUROPHYSIOLOGY, P.C.;  
23 iNEUROLOGY, PC; N EXPRESS, PC;  
NORTH AMERICAN NEUROLOGICAL  
24 ASSOCIATES, PC; SOUND  
PHYSICIANS EMERGENCY  
25 MEDICINE OF SOUTHERN  
CALIFORNIA, P.C.; and SOUND  
26 PHYSICIANS ANESTHESIOLOGY OF  
CALIFORNIA, P.C.,

27 Defendants.  
28

No.: 8:25-cv-01467-KES

**AMENDED COMPLAINT AND  
DEMAND FOR JURY TRIAL**

VIOLATION OF RICO, 18 U.S.C.  
§ 1962(c); VIOLATION OF RICO, 18  
U.S.C. § 1962(d); FRAUDULENT  
MISREPRESENTATION;  
NEGLIGENT MISREPRESENTATION;  
BUSINESS ACTS OR PRACTICES IN  
VIOLATION OF CAL. BUS. & PROF.  
CODE §§ 17200 *ET SEQ.*; VACATUR  
OF NSA DISPUTE RESOLUTION  
AWARDS; ERISA CLAIM FOR  
EQUITABLE RELIEF;  
DECLARATORY AND INJUNCTIVE  
RELIEF

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Plaintiffs Anthem Blue Cross Life and Health Insurance Company (“ABCLH”)  
2 and Blue Cross of California d/b/a Anthem Blue Cross (“ABC”) (collectively,  
3 “Anthem”) hereby bring suit against HaloMD, LLC (“HaloMD”) and Alla LaRoque,  
4 (collectively, the “HaloMD Defendants”); Scott LaRoque and MPOWERHealth  
5 Practice Management, LLC (“MPOWERHealth”; and, together with Scott LaRoque,  
6 the “MPOWERHealth Defendants”); Bruin Neurophysiology, P.C.; iNeurology, PC; N  
7 Express, PC; and North American Neurological Associates, PC (collectively, the  
8 “LaRoque Family Providers”; and, together with the HaloMD Defendants and the  
9 MPOWERHealth Defendants, the “LaRoque Family Enterprise”); and Sound  
10 Physicians Emergency Medicine of Southern California, P.C. and Sound Physicians  
11 Anesthesiology of California, P.C. (collectively, the “Sound Physicians Providers”;  
12 and, together with HaloMD, the “Sound Physicians Enterprise”). The LaRoque Family  
13 Providers and the Sound Physicians Providers are collectively referred to herein as the  
14 “Provider Defendants;” and, together with the HaloMD Defendants and the  
15 MPOWERHealth Defendants, the “Defendants.”

16 **INTRODUCTION**

17 1. Congress enacted the No Surprises Act (“NSA”) to protect Americans from  
18 abusive health care providers who engaged in the financially devastating practice of  
19 sending “surprise bills” for out-of-network services. For patients, the NSA provided  
20 significant protection against surprise bills where they are not otherwise protected by  
21 state laws. For the LaRoque Family Enterprise and the Sound Physicians Enterprise,  
22 however, the NSA provided the opportunity to defraud health plans like Anthem.

23 2. The NSA created an independent dispute resolution (“IDR”) process to  
24 resolve certain types of surprise billing disputes between health plans and out-of-  
25 network providers. The NSA’s IDR process is limited to “qualified IDR items or  
26 services” that meet strict eligibility criteria. But beginning no later than January 2024,  
27 Defendants have engaged in a scheme to defraud Anthem by flooding the IDR process  
28 with hundreds of knowingly ineligible disputes and reaping millions of dollars in

1 wrongfully obtained awards.

2 3. In furtherance of their “NSA Scheme,” Defendants: (1) use interstate wires  
3 to knowingly submit false and fraudulent attestations of eligibility for services and  
4 disputes that they know are ineligible for the IDR process, (2) strategically initiate  
5 massive volumes of IDR disputes simultaneously against Anthem, and (3) improperly  
6 inflate payment offers that far exceed what the LaRoque Family Providers and the  
7 Sound Physicians Providers could have received in a competitive market, more often  
8 than not exceeding the Provider Defendants’ *own billed charges* (i.e., the inflated, non-  
9 market-based rates, which already far exceed commercially reasonable rates).

10 4. Critically, Defendants knowingly made false statements, representations,  
11 and attestations at multiple stages throughout the IDR process. To access the IDR  
12 process in the first instance, Defendants falsify key elements as part of the initiation  
13 process, such as the type of health plan at issue, negotiation dates, and supporting  
14 documentation, to bypass mandatory regulatory safeguards intended to filter out such  
15 ineligible disputes. After they fraudulently obtain access to the IDR process, they falsely  
16 attest that the disputes “are qualified item(s) and/or service(s) within the scope of the  
17 Federal IDR process.” Defendants do so despite Anthem’s repeated communications  
18 that services and disputes are ineligible for the IDR process. These misrepresentations  
19 are necessary to initiate the IDR process in the first instance and to force payors like  
20 Anthem into costly dispute resolution proceedings that the system was designed to weed  
21 out.

22 5. This fraudulent course of conduct is the product of two coordinated  
23 enterprises, one among the HaloMD Defendants, the MPOWERHealth Defendants, and  
24 the LaRoque Family Providers (the “LaRoque Family Enterprise”), and the other  
25 between HaloMD and the Sound Physicians Providers (the “Sound Physicians  
26 Enterprise”). The participants in the LaRoque Family Enterprise and the Sound  
27 Physicians Enterprise knowingly conspired to exploit the IDR process and fraudulently  
28 obtain exorbitant payments for out-of-network services at the expense of Anthem and

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 other health care payors. Each of the participants in each enterprise plays a crucial role  
2 in their fraudulent schemes.

3 6. Defendant Alla LaRoque is the president of Defendant HaloMD, a  
4 company that operates “[w]ith an exclusive focus on Independent Dispute Resolution  
5 (IDR)[.]”<sup>1</sup> HaloMD initiates and administers IDR proceedings on behalf of health care  
6 providers like the Provider Defendants. HaloMD supplies automation and artificial  
7 intelligence infrastructure to operate “at scale.”<sup>2</sup> But HaloMD does not itself provide  
8 health care services or bill claims; it requires willing co-schemers like the Provider  
9 Defendants to effectuate the scheme to defraud health plans like Anthem.

10 7. For the LaRoque Family Enterprise, the HaloMD Defendants conspire  
11 with Defendant Scott LaRoque, Alla’s husband and the Chief Executive Officer  
12 (“CEO”) of Defendant MPOWERHealth, Defendant MPOWERHealth, and the  
13 LaRoque Family Providers to use claims and services provided by the LaRoque Family  
14 Providers to initiate fraudulent IDR proceedings. Defendants Scott LaRoque and  
15 MPOWERHealth operate a closely-managed network of subsidiaries and affiliated  
16 providers—including the LaRoque Family Providers—that provide out-of-network  
17 intraoperative neuromonitoring (“IONM”) services at hospitals and ambulatory surgical  
18 centers. The LaRoque Family Providers do not function independently; rather, the  
19 MPOWERHealth Defendants direct material aspects of their operations.

20 8. For the Sound Physicians Enterprise, HaloMD conspires with the Sound  
21 Physician Providers to use claims and services provided by the Sound Physician  
22 Providers to initiate fraudulent IDR proceedings. The Sound Physician Providers  
23 provide emergency medicine and anesthesiology services to patients.

24 9. Through the LaRoque Family Enterprise and the Sound Physicians  
25 Enterprise, Defendants have unlawfully corrupted the IDR process for financial gain.  
26 Since no later than January 2024, Defendants have initiated many hundreds of

27 <sup>1</sup> <https://halomd.com>

28 <sup>2</sup> *Id.*

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 knowingly ineligible disputes against Anthem. Knowing that these disputes on their  
2 face did not qualify for IDR, the HaloMD Defendants, on behalf of the  
3 MPOWERHealth Defendants and the LaRoque Family Providers, on the one hand, and  
4 HaloMD on behalf of the Sound Physicians Providers, on the other, made false  
5 statements, representations, and attestations to fraudulently bypass IDR safeguards to  
6 take advantage of the IDR process. Through these schemes, Defendants have caused  
7 Anthem to have to pay millions of dollars in ineligible IDR payment determinations and  
8 related fees.

9 10. Defendants also deliberately exploited the IDR system to seek payments  
10 that far exceed the charges the Provider Defendants had billed Anthem—far beyond the  
11 actual cost or market value of their services. In disputes where Defendants prevailed  
12 with such outrageous offers, Anthem was ordered to pay \$1.5 million more than the  
13 Provider Defendants’ own billed charges.

14 11. The fraudulent NSA Schemes of the LaRoque Family Enterprise and the  
15 Sound Physicians Enterprise violated the federal Racketeering Influenced and Corrupt  
16 Organizations Act (“RICO”), 18 U.S.C. §§ 1961 *et seq.*, as well as other federal and  
17 state laws, as set forth herein. Anthem brings this action against Defendants—who,  
18 together with other co-conspirators, known and unknown, conspired to engage in the  
19 NSA Schemes, as set forth herein—to end Defendants’ ongoing criminal enterprise and  
20 recover resulting damages.

**THE PARTIES**

**I. Plaintiffs**

22 12. Plaintiff ABC is a health care service plan licensed by the California  
23 Department of Managed Health Care and governed by the requirements of the Knox-  
24 Keene Health Care Service Plan Act of 1975, Cal. Health & Safety Code §§ 1340 *et*  
25 *seq.* Its principal place of business is in Woodland Hills, California.

27 13. Plaintiff ABCLH is an insurance company regulated by the California  
28 Department of Insurance. Its principal place of business is in Woodland Hills,

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 California.

2 **II. The HaloMD Defendants**

3 14. Defendant HaloMD is a Delaware limited liability company with a  
4 business address at 5080 Spectrum Drive, Suite 1100E, in Addison, Texas (the “5080  
5 Spectrum Address”). HaloMD solicits and represents physician practices throughout  
6 the United States, including in California.

7 15. HaloMD has two members: LFF Holdings Groups Ltd. Co. (“LFF”) and  
8 Scalla Investments, LLC (“Scalla”). LFF is a Texas limited liability company whose  
9 sole member is Scott LaRoque. Scalla is a Texas limited liability company with both  
10 Scott LaRoque and Alla LaRoque as its only two members. For the purposes of  
11 diversity, HaloMD is a citizen of Texas.

12 16. Defendant Alla LaRoque is the founder and President of HaloMD. She is  
13 a resident of Texas.

14 **III. The MPOWERHealth Defendants**

15 17. Upon information and belief, Defendant MPOWERHealth is a Delaware  
16 limited liability company located at the 5080 Spectrum Address. MPOWERHealth’s  
17 member is LFF, whose sole member is Scott LaRoque.

18 18. Defendant Scott LaRoque, the husband of Defendant Alla LaRoque, is the  
19 CEO and founder of MPOWERHealth. He is a resident of Texas.

20 **IV. The LaRoque Family Provider Defendants**

21 19. Defendant Bruin Neurophysiology, P.C. (“Bruin”) is a California  
22 professional corporation that provides IONM services, including for California  
23 residents. Bruin’s principal place of business is the 5080 Spectrum Address, with a  
24 mailing address 2915 W. Bitters Road, Suite 201, San Antonio, Texas 78248 (the “2915  
25 W Bitters Address”).

26 20. Defendant iNeurology, PC (“iNeurology”) is a California professional  
27 corporation that provides IONM services, including for California residents.  
28 iNeurology’s principal place of business is 218 Foothills Road, Beverly Hills,

1 California 90210, and it has a mailing address of 1141 N. Loop 1604 E, #105-612, San  
2 Antonio, Texas 78232 (the “1141 N Loop Address”).

3 21. Defendant N Express, PC (“N Express”) is a California professional  
4 corporation that provides IONM services, including for California residents. N  
5 Express’s principal place of business is 1213 Walnut Avenue, Manhattan Beach,  
6 California 90266, with a mailing address of the 2915 W Bitters Address.

7 22. Defendant North American Neurological Associates, PC (“NANA”) is a  
8 California professional corporation that provides IONM services, including for  
9 California residents. NANA is located at 701 Palomar Airport Road, Suite 300, in  
10 Carlsbad, California, and has a mailing address of the 2915 W Bitters Address.

11 **V. The Sound Physician Provider Defendants**

12 23. Defendant Sound Physicians Anesthesiology of California, P.C. (“SPAC”)  
13 is a California professional corporation with its principal place of business at 120  
14 Brentwood Commons Way, Suite 510, in Brentwood, Tennessee (the “Brentwood  
15 Tennessee Address”). SPAC is located at 4002 Vista Way in Oceanside, California.

16 24. Defendant Sound Physicians Emergency Medicine of Southern California,  
17 P.C. (“SPEMSC”) is a California professional corporation with its principal place of  
18 business also at the Brentwood Tennessee Address. SPEMSC is located at 2615 Chester  
19 Avenue in Bakersfield, California.

20 25. Upon information and belief, the Sound Physicians Providers are all  
21 subsidiaries and/or corporate affiliates of Sound Physicians, which holds itself out as a  
22 multi-specialty practice group with “over 4,000 physicians, advanced practice  
23 providers, CRNAs, and nurses” that partners with more than 400 hospitals across the  
24 United States and manages approximately 6% of all acute medical hospitalizations.<sup>3</sup>

25 26. The Sound Physicians Providers were all incorporated by persons located  
26 at 1498 Pacific Ave., Suite 400, in Tacoma, Washington 98402, which is also Sound  
27

28 <sup>3</sup> See <https://soundphysicians.com/about/why-sound/>.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Physicians’ corporate headquarters.<sup>4</sup>

2 27. Lindsay Vaughan, Associate General Counsel of Sound Physicians, served  
3 as the incorporator for SPAC, and has signed annual Statements of Information forms  
4 filed with the California Secretary of State for the Sound Physician Providers.

5 **JURISDICTION AND VENUE**

6 28. This Court has subject matter jurisdiction pursuant to 18 U.S.C. § 1964,  
7 which gives federal district courts jurisdiction over civil RICO actions. This Court also  
8 has subject-matter jurisdiction pursuant to 28 U.S.C. § 1331, as this action arises under  
9 federal law, including the NSA, 42 U.S.C. § 300gg-111, and the Employee Retirement  
10 Income Security Act of 1974 (“ERISA”), 29 U.S.C. §§ 1001 *et seq.* The Court has  
11 supplemental jurisdiction over state law claims pursuant to 28 U.S.C. § 1367.

12 29. Venue is proper in this District under 28 U.S.C. § 1391 because: (i) a  
13 substantial part of the events or omissions giving rise to the claims set forth herein  
14 occurred in, and were directed toward, this District; (ii) Anthem is headquartered in this  
15 District and has suffered injury here; and (iii) one or more of the Defendants reside here.

16 **BACKGROUND**

17 **I. Anthem Administers Health Care Claims and IDR Proceedings for**  
18 **Members, Plan Sponsors, Government Programs, and BlueCard Plans.**

19 30. Anthem offers a broad range of health care and related plans, insurance  
20 contracts and services to its plan sponsor “members” and insureds who enroll in an  
21 Anthem plan, including fully insured and self-funded employee health benefit plans.  
22 Anthem processes tens of millions of health care claims annually and is responsible for  
23 ensuring that claims are paid accurately and in accordance with plan terms. As a critical  
24 part of that responsibility, Anthem is authorized to undertake efforts to safeguard and  
25 protect itself, its members and insureds, and the various employer group health plans it  
26 administers from fraud, waste, and abuse—like the fraud Defendants are perpetrating  
27 here.

28 <sup>4</sup> See <https://www.soundphysicians.com/about/contact/>.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1           31. Anthem administers claims and benefits for several different types of  
2 health care plans relevant to this Amended Complaint.

3           32. First, Anthem issues and administers health plans and insurance contracts,  
4 whereby Anthem collects premiums and is financially responsible for any benefits paid  
5 out under the plan terms or pursuant to law. Anthem sells these products either directly  
6 to consumers or to small or large employer groups who offer coverage to their  
7 employees but do not themselves insure the loss under the plan. These products are  
8 typically subject to state regulation, including state laws prohibiting surprise billing and  
9 mandating payment for certain out-of-network claims.

10           33. Second, Anthem administers self-funded plans, typically offered by large  
11 employers to their employees. These employers self-insure the plan and are financially  
12 responsible for any payment of benefits or other losses. Because employers often lack  
13 infrastructure to provide health insurance to their employees, these plans contract with  
14 Anthem for administrative services, such as provider network development, customer  
15 service, and claims pricing and adjudication. These plans often delegate authority to  
16 Anthem to administer the IDR process on behalf of the plans and discretionary authority  
17 to perform other services incident or necessary to Anthem’s administration of the IDR  
18 process. The plans typically (though not always) reimburse Anthem for any awards  
19 resulting from IDR. They may opt into following certain state insurance laws, such as  
20 state surprise billing laws; otherwise, they are subject to ERISA and federal law.

21           34. Third, pursuant to the BlueCard program, Anthem acts as a “Host Plan” to  
22 other independent Blue Cross and/or Blue Shield “Home Plans” whose members obtain  
23 treatment from providers in Anthem’s service area in California. As a Host Plan,  
24 Anthem manages and participates in IDR proceedings that are initiated by providers in  
25 Anthem’s California service area for non-Anthem plans whose members received  
26 treatment from the initiating California provider.

27           35. While Anthem administers different types of health plans and claims,  
28 providers generally know what type of health care coverage the patient has. Providers

1 require proof of insurance at the point of service to submit claims to the health plan, and  
2 the member’s health insurance card identifies the nature of the member’s coverage.  
3 When Anthem issues payment on a claim, the payment is accompanied by an  
4 explanation of payment (“EOP”), which includes information about the member’s  
5 coverage, among other information.

6 **II. Before the NSA, Out-of-Network Physicians Exploited American**  
7 **Consumers with Surprise Medical Bills.**

8 36. Health plans like Anthem contract with a network of health care providers,  
9 including hospitals and physicians, from whom their members may obtain “in-network”  
10 care. Such contracts govern the rate for the relevant services and prohibit the providers  
11 from billing patients above that amount. Generally, patients receive better and more  
12 affordable health care coverage when receiving treatment from in-network providers.

13 37. Patients can also choose to obtain treatment from out-of-network  
14 providers, which have no contract with their health plan. Because out-of-network  
15 providers are not bound by contractual billing limitations, patients typically pay more  
16 when they elect to receive care from out-of-network providers. The health plan will  
17 cover a portion of the cost of the services, and the out-of-network provider will “balance  
18 bill” the patient for the difference between their “inflated,” “non-market-based rates”—  
19 known as “billed charges”—and the amounts paid by health plans. H.R. Rep. No. 116-  
20 615 (2020), at 53, 57. Patients who choose to seek treatment from an out-of-network  
21 provider understand that it will likely be more expensive than in-network care; they will  
22 likely receive less coverage from their health plan, and in turn, higher bills from their  
23 out-of-network provider.

24 38. However, there are certain situations in which a patient has no ability to  
25 choose between in- and out-of-network care. One example is when a patient is suffering  
26 from a medical emergency and receives treatment at the nearest emergency room, where  
27 the on-call physician may not be in the patient’s health plan’s network. Another  
28 example is when a patient visits an in-network hospital but unknowingly receives

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 treatment from an out-of-network physician, such as an anesthesiologist or IONM  
2 provider. Before state and federal governments acted, out-of-network emergency  
3 providers like the Sound Physician Providers, air ambulance providers, and IONM  
4 providers like the LaRoque Family Providers capitalized on patients’ lack of  
5 meaningful choice in these circumstances.

6 39. These types of out-of-network providers widely engaged in the aggressive  
7 and financially devastating practice of “surprise billing.” Specifically, the providers  
8 would exploit patients’ inability to choose an in-network provider and bill the patient  
9 for the difference between their “inflated,” “non-market-based” “billed charges” and  
10 the amounts paid by health plans. H.R. Rep. No. 116-615, at 53, 57. Surprise billing  
11 was particularly rampant among particular provider groups, including IONM providers,  
12 who refused to contract with health plans because being able to engage in surprise  
13 billing yielded higher profits at the expense of patients who were not in a position to  
14 choose from whom they received such care.

15 40. Before legislation banned their exploitative practices, surprise billing  
16 providers like the LaRoque Family Providers and the Sound Physicians Providers held  
17 “substantial market power.” H.R. Rep. No. 116-615, at 53. They were able to “charge  
18 amounts for their services that ... result[ed] in compensation far above what is needed  
19 to sustain their practice” because they “face[d] highly inelastic demands for their  
20 services because patients lack the ability to meaningfully choose or refuse care.” *Id.*  
21 Surprise billing providers like the LaRoque Family Providers and the Sound Physicians  
22 Providers could reap massive profits by issuing surprise medical bills to patients and  
23 had little incentive to contract with health plans like Anthem to offer more affordable  
24 health care services to American consumers.

25 41. Congress called this framework a “market failure” that was having  
26 “devastating financial impacts on Americans and their ability to afford needed health  
27 care.” *Id.* at 52. In response to such abuses by providers, Congress—as well as many  
28 state legislatures like California’s—enacted laws to ban surprise medical bills.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 **III. The No Surprises Act Created an IDR Process for Specific Qualified IDR**  
2 **Items and Services.**

3 42. Effective January 1, 2022, the NSA banned surprise billing for three  
4 categories of out-of-network care: (1) emergency services; (2) non-emergency services  
5 at in-network facilities; and (3) air ambulance services. *See* 42 U.S.C. §§ 300gg-131,  
6 300gg-132, 300gg-135. To be subject to the NSA and IDR, health care services must  
7 fall into one of these three categories and meet other statutory and regulatory  
8 requirements described below.

9 43. When enacting the NSA, Congress also found “that any surprise billing  
10 solution must comprehensively protect consumers by ‘taking the consumer out of the  
11 middle’ of surprise billing disputes.” H.R. Rep. No. 116-615, at 55. Thus, the NSA  
12 created a separate framework outside the judicial process for health plans and providers  
13 to resolve specific types of eligible surprise billing disputes. *See* 42 U.S.C. § 300gg-  
14 111(c). The framework consists of (1) open negotiations—a required 30-business-day  
15 period to try resolving the dispute informally; (2) an IDR process for “qualified IDR  
16 items and services” if no agreement is reached; and (3) if applicable, a payment  
17 determination from private parties called certified IDR entities (“IDREs”).

18 44. When a health plan receives a claim for out-of-network services subject to  
19 the NSA (*i.e.*, emergency services, services provided at an in-network facility, or air  
20 ambulance services), the health plan will make an initial payment or issue a notice of  
21 denial of payment within 30 days. *See* 42 U.S.C. § 300gg-111(a)(1)(C)(iv)(I). The  
22 health plan’s explanation of benefits (“EOB”) includes, among other information, a  
23 phone number and email address for providers to seek further information or initiate  
24 open negotiations. *See* 45 C.F.R. § 149.140(d)(2).

25 45. If the provider is dissatisfied with the initial payment, then the provider or  
26 its designee may initiate open negotiations with the health plan by providing formal  
27 written notice to the health plan within 30 business days of the initial payment or notice  
28 of denial. 42 U.S.C. § 300gg-111(c)(1)(A). After initiating open negotiations, the

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 provider must attempt in good faith to negotiate a resolution with the health plan over  
2 the 30-business-day open negotiations period. *See id.*

3 46. If the provider initiates and exhausts the 30-day open negotiations period,  
4 and “the open negotiations ... do not result in a determination of an amount of payment  
5 for [the] item or service,” then the provider may initiate the IDR process. *See* 42 U.S.C.  
6 § 300gg-111(c)(1)(B); 45 C.F.R. § 149.510(b)(2)(i). The IDR process is only available  
7 to providers who first initiate and exhaust open negotiations with the health plan. *See*  
8 *id.* Providers must initiate the IDR process within four business days after the open  
9 negotiations period has been exhausted. *See id.*

10 47. The 30-day open negotiations period is a central requirement of the IDR  
11 process. Indeed, Congress explained that one of the primary purposes of the NSA was  
12 to ensure that health care providers, including hospitals and doctors, and payors,  
13 including insurance companies and self-funded plans, are incentivized to resolve their  
14 differences amongst themselves.<sup>5</sup>

15 48. The IDR process is only available for a “qualified IDR item or service”  
16 eligible for the process. 42 U.S.C. § 300gg-111(c)(1); 45 C.F.R. § 149.510(a)(2)(xi),  
17 (b)(1), (b)(2). To be eligible for the process and considered a qualified IDR item or  
18 service within the scope of the IDR process, the following conditions must be met:

- 19 a. The underlying services are within the NSA’s scope, meaning they  
20 are out-of-network emergency services, non-emergency services at  
participating facilities, or air ambulance services;
- 21 b. The services involve a patient with health care coverage through a  
22 group plan or health insurer subject to the NSA (*e.g.*, not coverage  
through government programs like Medicare or Medicaid);
- 23 c. A state surprise billing law (referred to as a “specified state law” in  
24 the NSA) does not apply to the dispute;
- 25 d. The underlying services were covered by the patient’s health benefit  
26 plan (*i.e.*, payment was not denied);

27 <sup>5</sup> *See* Brady Opening Statement at Full Committee Markup of Health Legislation (Feb.  
28 12, 2020), available at <https://waysandmeans.house.gov/2020/02/12/brady-opening-statement-at-full-committee-markup-of-health-legislation-3/>.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

- 1 e. The patient did not waive the NSA’s balance billing protections;
- 2 f. The provider initiated and exhausted open negotiations;
- 3 g. The provider initiated the IDR process within 4 business days after
- 4 the open negotiations period was exhausted; and
- 5 h. The provider has not had a previous IDR determination on the same
- 6 services and against the same payor in the previous 90 calendar
- 7 days.

42 U.S.C. § 300gg-111(c)(1)(B); 45 C.F.R. § 149.510(a)(2)(xi), (b)(2).

8 49. With the NSA, Congress did not intend to supplant specified state laws.  
9 Congress lauded the fact that at the time the NSA was enacted, more than half of states  
10 had already “taken significant steps to address surprise medical bills through consumer  
11 protection laws that shield patients from surprise billing in the individual, small group,  
12 and fully-insured group markets.” H.R. Rep. No. 116-615, at 54. Congress enacted the  
13 NSA to supplement state laws, not replace them. *See id.* If the state law already protects  
14 the patient from the surprise medical bill and provides a method of determining the out-  
15 of-network rate for the services, then the state law applies, and the dispute is not eligible  
16 for the NSA. 42 U.S.C. § 300gg-111(a)(3)(H)-(K), (c)(1); 49 C.F.R.  
17 § 149.510(a)(2)(xi)(A).

18 50. California has two specified state laws (collectively referred to herein as  
19 the “California’s Surprise Billing Laws”). First, the Knox-Keene Act (California Health  
20 and Safety Code § 1371.4 and its implementing regulations—California Code of  
21 Regulations Title 28, Sections 1300.71 and 1300.71.39), as applied through case law,  
22 is a specified state law that concerns emergency services. Case law and the Knox-Keene  
23 Act require reimbursement for out-of-network emergency services at the reasonable and  
24 customary value, based on statistically credible information taking into consideration  
25 (i) the provider’s training, qualifications, and length of time in practice; (ii) the nature  
26 of the services provided; (iii) the fees usually charged by the provider; (iv) prevailing  
27 provider rates charged in the general geographic area in which the services were  
28 rendered; (v) other aspects of the economics of the medical provider’s practice that are

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 relevant; and (vi) any unusual circumstances in the case. This specified state law applies  
2 to Plaintiff ABC.

3 51. Second, AB 72, codified at California Health and Safety Code §§ 1371.30  
4 and 1371.31, applies to non-emergency services by non-participating providers in  
5 participating facilities and (1) requires payment of the greater of the payor’s average  
6 contracted rate or 125 percent of Medicare rates, and (2) provides for an independent  
7 dispute resolution process to resolve any payment disputes regarding such services.<sup>6</sup>  
8 This specified state law applies to both Plaintiffs.

9 52. The Centers for Medicare & Medicaid Services (“CMS”), the federal  
10 agency within the Department of Health and Human Services (“HHS”) that is primarily  
11 charged with implementing the IDR process, has issued several resources to aid  
12 interested parties in determining whether a state surprise billing law exists.<sup>7</sup>

13 53. When initiating the IDR process, providers must, among other things,  
14 submit an attestation that the items and services in dispute are qualified IDR items or  
15 services within the scope of the IDR process.<sup>8</sup> A copy of the IDR initiation form,  
16 including the attestation, is provided to the non-initiating party, the IDRE, and the  
17 Departments.<sup>9</sup>

18  
19  
20 <sup>6</sup> See also California CAA Enforcement Letter (Dec. 22, 2021), available at  
21 [https://www.cms.gov/files/document/cms-letter-ca-cao-enforcement-and-dispute-  
resolution.pdf](https://www.cms.gov/files/document/cms-letter-ca-cao-enforcement-and-dispute-resolution.pdf).

22 <sup>7</sup> See, e.g., CAA Enforcement Letters, available at [https://www.cms.gov/marketplace/  
about/oversight/other-insurance-protections/consolidated-appropriations-act-2021-caa](https://www.cms.gov/marketplace/about/oversight/other-insurance-protections/consolidated-appropriations-act-2021-caa);  
23 Chart for Determining the Applicability for the Federal Independent Dispute  
24 Resolution (IDR) Process (Jan. 13, 2023), available at [https://www.cms.gov/files/  
document/caa-federal-idr-applicability-chart.pdf](https://www.cms.gov/files/document/caa-federal-idr-applicability-chart.pdf) (last accessed May 19, 2025).

25 <sup>8</sup> See 45 C.F.R. § 149.510(b)(2)(iii)(A)(6); see also Notice of IDR Initiation Form,  
26 U.S. Dep’t of Labor, available at [https://www.dol.gov/sites/dolgov/files/ebsa/laws-  
and-regulations/laws/no-surprises-act/notice-of-idr-initiation.pdf](https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/no-surprises-act/notice-of-idr-initiation.pdf).

27 <sup>9</sup> The “Departments” include HHS, the Department of Labor, and the Department of  
28 the Treasury.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 **IV. The IDR Initiation Process Notifies Parties of Ineligible Disputes.**

2 54. Parties must initiate the IDR process online through a federal “IDR Portal.”  
3 The website for submissions is <https://nsa-idr.cms.gov/paymentdisputes/s/>.

4 55. The online process for initiating IDR is designed to notify initiating parties  
5 of ineligible disputes and prevent initiating parties from inadvertently initiating the IDR  
6 process for ineligible items or services.

7 56. The first page of the website specifies that parties may “[u]se this form if  
8 you participated in an open negotiation period that has expired without agreement for  
9 an out-of-network total payment amount for the qualified IDR item or service.”

10 Use this form if you participated in an open negotiation period that has expired without an agreement for an out-of-network total payment amount  
for the qualified IDR item or service.

11 You can start the Federal Independent Dispute Resolution (IDR) process within 4 business days after the end of the 30-business-day open  
12 negotiation period if a determination of the total payment for the qualified IDR item(s) or service(s), including cost-sharing, wasn't reached.

13 You will need to provide information for both parties involved in the dispute.

14 57. The first page also provides a link to a list of states with specified state  
15 laws that render certain disputes ineligible for the IDR process:

16 Review the [IDR State list](#) to determine which states will have processes that apply to payment determinations for the items, services, and parties  
17 involved. FEHB plans are subject to the Federal IDR process unless OPM contracts with FEHB carriers to include terms that adopt state law as  
governing for this purpose.

18 58. Before initiating the IDR process, parties must agree to certain terms and  
19 conditions. The terms and conditions include a notice that the initiating party must  
20 submit an “[a]ttestation that qualified IDR items or services are within the scope of the  
21 Federal IDR process.”

22 **Before starting:**

23 You may need to provide information by uploading separate documents. The total file size limit for all uploaded documents is 500MB. Be sure your  
files meet this limitation.

24 Along with the general information you'll need to start your Federal IDR dispute process, provide:

- 25
- Information to identify the qualified IDR items or services (and whether they are designated as batched or bundled items or services)
  - Dates and location of qualified IDR items or services
  - Type of qualified IDR items or services such as emergency services and post-stabilization services
  - Codes for corresponding service and place-of-service
  - **Attestation that qualified IDR items or services are within the scope of the Federal IDR process**
  - Your preferred certified IDR entity
- 26  
27  
28

1 59. After agreeing to the terms and conditions, initiating parties must answer  
2 certain “Qualification Questions” through an online form. If the answers to the  
3 Qualification Questions indicate that the dispute is not eligible for IDR, the form will  
4 provide an alert and prevent the initiating party from proceeding.

5 60. For example, one of the key Qualification Questions on the federal IDR  
6 website asks when the party began the open negotiation process. That question as it  
7 appears on the website is below:

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23 61. Parties must exhaust a 30-business-day open negotiation period before  
24 either party may initiate the federal IDR process. If the initiating party enters a date that  
25 is not at least 31 days before the date of website submission, the federal IDR website  
26 will not permit the initiating party to proceed and seek payment for the service.

27 62. Further, if the IDR initiation is not within four business days of the end of  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 the 30-day open negotiation period, the initiating party must provide a reason why they  
2 are eligible for an extension and provide supporting documentation.

3 63. After successfully completing the Qualification Questions, the initiating  
4 party is asked to complete the Notice of IDR Initiation Form. The initiating party must  
5 provide a variety of relevant information, including the name and contact information  
6 of the health care provider, the claim number, the date of the service, the qualifying  
7 payment amount (“QPA”)—generally the plan’s median in-network rate for the same  
8 service in the same geographic area—for the qualified IDR item or services at issue,  
9 and documentation supporting these facts.

10 64. At the end of this process, the submitting party must attest, via electronic  
11 signature, that the “item(s) and/or service(s) at issue are qualified item(s) and/or  
12 services(s) within the scope of the Federal IDR process.”

\* (required)  I, the undersigned initiating party (or representative of the initiating party), attest that to the best of my knowledge the preferred certified IDR entity does not have a disqualifying conflict of interest and that the item(s) and/or service(s) at issue are qualified item(s) and/or service(s) within the scope of the Federal IDR process.

\* (required) Initiating party (or representative of the initiating party):

\* (required) Date:

19 65. A copy of the Notice of IDR Initiation—including the initiating party’s  
20 attestation that that the “item(s) and/or service(s) at issue are qualified item(s) and/or  
21 services(s) within the scope of the Federal IDR process”—is provided to the non-  
22 initiating party (*i.e.*, the health plan), the IDRE, and the Departments.

23 66. As illustrated above, at every stage of this online process, the initiating  
24 party must make false statements to submit a dispute for services that are not eligible  
25 for IDR, or the initiation process cannot continue. As such, when a party initiates the  
26 IDR process, it has full knowledge of the requirements and limits of the IDR process.

27 67. HHS administers the IDR initiation process. Any submission made  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 through this system is a statement made to the federal government, and any attestation  
2 made as part of the submission process is also made to the federal government. False  
3 attestations to the federal government can violate 18 U.S.C. § 1001.

4 **V. Anthem Also Informs Providers of Ineligible Disputes, including Those**  
5 **Subject to State Surprise Billing Laws.**

6 68. In addition to the Qualification Questions and IDR initiation process,  
7 Anthem sends multiple communications informing providers when services are  
8 ineligible for the IDR process.

9 69. When providers initiate negotiations for items and services subject to  
10 California’s Surprise Billing Laws, Anthem notifies the provider that the “[c]laim is  
11 *not governed by the Federal No Surprises Act.*”

12  Claim is not governed by the Federal No Surprises Act.

13 70. And even when providers ignore Anthem’s negotiations communications  
14 for items and services subject to California’s Surprise Billing Laws, Anthem informs  
15 the provider or designee that the items or services are “*ineligible for IDR under the*  
16 *NSA because a state surprise billing law applies.*”

17 The Independent Dispute Resolution (IDR) Team has received an IDR initiation notice for the above  
18 DISP Number. After review, the claim(s) is/are out of the scope (OOS) of the Federal No Surprises Act  
19 (NSA), due to the following reason(s). Please refer to the addendum for more information.  
20  The claim(s) is ineligible for IDR under the NSA because a state surprise billing law applies. Per  
21 CMS guidelines, where a specified state law provides a method for determining the total amount  
22 payable for out-of-network items and services, providers may not engage in the federal IDR  
23 process for resolving payment disputes under the NSA.

24 71. Like the Qualification Questions and IDR initiation process, Anthem’s  
25 communications of ineligibility in the EOP, during open negotiations, and after IDR  
26 initiation ensure that providers do not mistakenly pursue the IDR process for non-  
27 qualified items or services that are outside the scope of the process.

28 **VI. If Applicable, IDREs Make Payment Determinations Subject to Judicial**  
**Review in Certain Specified Circumstances.**

72. After the provider initiates the IDR process, the parties select, or HHS

1 appoints, an IDRE. 42 U.S.C. § 300gg-111(c)(4)(F). The IDRE performs two tasks.

2       73. *First*, the IDRE is directed by regulation (though not by the Act itself) to  
3 “determine whether the Federal IDR process applies.” 45 C.F.R. § 149.510(c)(1)(v). In  
4 making this determination that the IDR process applies, the IDRE is directed to “review  
5 the information submitted in the notice of IDR initiation” with the provider’s attestation  
6 of eligibility. 45 C.F.R. § 149.510(c)(1)(v). In practice, this is a cursory review by the  
7 IDRE based on incomplete, one-sided information. The layers of safeguards in the IDR  
8 initiation process—including the Qualification Questions and provider attestations—  
9 are intended to prevent parties from initiating the IDR process with ineligible disputes  
10 at the outset, before the dispute reaches the IDRE. Once a dispute reaches the IDRE,  
11 the initiating party has already bypassed those safeguards and affirmatively attested to  
12 the eligibility of the dispute, and the IDRE reviews the notice of IDR initiation with the  
13 affirmative attestation to determine eligibility. *See id.*

14       74. *Second*, if the IDRE determines the IDR process applies, then the IDRE  
15 proceeds to a payment determination. 42 U.S.C. § 300gg-111(c)(5)(A). The IDRE’s  
16 payment determination must involve “a qualified IDR item or service.” *Id.*

17       75. IDR payment determinations resemble a baseball-style dispute resolution  
18 where the provider and health plan each submit an offer, and the IDRE selects one  
19 party’s offer as the out-of-network rate. 42 U.S.C. § 300gg-111(c)(5)(B).

20       76. In making its determination, the IDRE must consider the QPA—which  
21 approximates the health plan’s median in-network contracting rate for the services—  
22 and several “additional circumstances,” such as training, experience, and quality of the  
23 provider, its market share, and the acuity of the patient, among others. 42 U.S.C.  
24 § 300gg-111(c)(5)(C). IDREs cannot consider, among other things, the provider’s  
25 charges. 42 U.S.C. § 300gg-111(c)(5)(D) (IDREs “shall not consider ... the amount that  
26 would have been billed by such provider or facility ...”). Congress reasoned that  
27 permitting IDREs to “consider non-market-based rates such as the providers’ billed  
28 charges ... may drive up consumer costs.” H.R. Rep. No. 116-615, at 57.

1 77. The NSA states that an IDR determination for a “qualified IDR item or  
2 service” is “binding” unless there was “a fraudulent claim or evidence of  
3 misrepresentation of facts presented to the IDR entity involved regarding such claim[.]”  
4 42 U.S.C. § 300gg-111(c)(5)(E)(i).

5 78. The NSA also states that an IDR determination for a “qualified IDR item  
6 or service” “shall not be subject to judicial review, except in a case described in any of  
7 paragraphs (1) through (4) of section 10(a) of title 9.” 42 U.S.C. § 300gg-  
8 111(c)(5)(E)(II). Paragraphs (1) through (4) of section 10(a) of title 9 describe:

- 9 (1) where the award was procured by corruption, fraud, or undue means;
- 10 (2) where there was evident partiality or corruption in the arbitrators, or either  
11 of them;
- 12 (3) where the arbitrators were guilty of misconduct in refusing to postpone the  
13 hearing, upon sufficient cause shown, or in refusing to hear evidence  
14 pertinent and material to the controversy; or of any behavior by which the  
15 rights of any party have been prejudiced; or
- 16 (4) where the arbitrators exceeded their powers, or so imperfectly executed  
17 them that a mutual, final, and definite award upon the subject matter  
18 submitted was not made.

19 9 U.S.C. § 10(a)(1)-(4).

20 79. Parties to IDR proceedings are responsible for payment of two fees. First,  
21 both parties must pay a non-refundable administrative fee—currently \$115—when the  
22 dispute is initiated. This fee is not recoverable even when the IDRE determines that the  
23 dispute does not qualify for IDR, or even when the initiating party later voluntarily  
24 withdraws the dispute. Second, both parties must pay an IDRE fee before the IDRE  
25 makes the payment determination. The IDRE fee is set by the specific IDRE and  
26 depends on the type of IDR submitted, but ranges from \$200 to \$1,173. The party whose  
27 offer is selected by the IDRE is refunded its IDRE fee, meaning it is only responsible  
28 for the \$115 administrative fee. The non-prevailing party is responsible for both the

1 administrative fee and the IDRE fee.

2 80. Notably, IDREs are only compensated when a dispute reaches a payment  
3 determination. *See* 42 U.S.C. § 300gg-111(c)(5)(F). They do not receive compensation  
4 when dismissing a dispute due to the ineligibility of the service. *See id.* And because  
5 IDREs are compensated on a per-dispute basis, they receive greater compensation when  
6 there are a greater total number of disputes.

7 **VII. The NSA’s IDR Process Skews Heavily in Favor of Providers.**

8 81. Government data shows that the IDR process has not led to fair or balanced  
9 outcomes with objectively reasonable payment determinations. Instead, the IDR  
10 process heavily favors providers.

11 82. In the most recent reporting period, providers prevailed in 85 percent of  
12 IDR payment determinations.<sup>10</sup>

13 83. Moreover, providers are not prevailing with objectively reasonable  
14 payment offers. Congress directed IDR payment determinations to be made according  
15 to the QPA and several “additional circumstances,” such as the training, experience,  
16 and quality of the provider, its market share, and the acuity of the patient, among others.  
17 42 U.S.C. § 300gg-111(c)(5)(C). In practice, however, IDRE payment determinations  
18 far exceed the QPA.

19 84. During the most recent reporting period, prevailing offers exceeded the  
20 QPA 85 percent of the time. *See id.* For line items in which the provider prevailed, the  
21 median payment determination was 459 percent of the QPA.<sup>11</sup> “[T]he rationale behind  
22 payment determinations remains unclear due to limited transparency into how IDR  
23  
24

---

25 <sup>10</sup> *Supplemental Background on the Federal IDR Public Use Files, July 1, 2024—Dec.*  
26 *31, 2024*, CMS, *supra*.

27 <sup>11</sup> *See Independent Dispute Resolution Reports, Federal IDR PUF for 2024 Q4 (as of*  
28 *May 28, 2025)*, CMS, available at <https://www.cms.gov/nosurprises/policies-and-resources/reports>.

1 entities evaluate submissions.”<sup>12</sup>

2 85. Recognizing these dynamics, Defendants launched their fraudulent NSA  
3 Schemes to enrich themselves at the expense of Anthem.

4 **DEFENDANTS’ FRAUDULENT NSA SCHEMES**

5 86. Beginning no later than January 2024, Defendants launched their NSA  
6 Schemes to defraud Anthem by initiating hundreds of knowingly ineligible IDR  
7 proceedings against Anthem. To effectuate their schemes, Defendants made false  
8 statements, representations, and attestations regarding eligibility for IDR under the  
9 NSA.

10 87. The LaRoque Family Enterprise consists of the HaloMD Defendants, the  
11 MPOWERHealth Defendants, and the LaRoque Family Providers, who associated  
12 together with the common purpose of engaging in a course of conduct to conduct the  
13 LaRoque Family NSA Scheme.

14 88. The Sound Physicians Enterprise consists of HaloMD and the Sound  
15 Physicians Providers, who associated together with the common purpose of engaging  
16 in a course of conduct to conduct the Sound Physicians NSA Scheme.

17 89. The LaRoque Family Enterprise and the Sound Physicians Enterprise  
18 overlap in that both enterprises rely on HaloMD to pursue the same NSA Scheme to  
19 defraud Anthem.

20 90. The core of each enterprise’s NSA Scheme relies on Defendants’  
21 calculated bet: that through repeated and knowing misrepresentations that the submitted  
22 disputes—over services performed by the LaRoque Family Providers and the Sound  
23 Physicians Providers—met the criteria for the federal IDR process, they could flood the  
24 IDR process and procure payments on knowingly ineligible disputes. And they did.  
25 Nearly half of the disputes submitted by Defendants that reached a payment

26 \_\_\_\_\_  
27 <sup>12</sup> *No Surprises Act Arbitrators Vary Significantly in Their Decision Making Patterns*,  
28 Health Affairs, available at <https://www.healthaffairs.org/content/forefront/no-surprises-act-arbitrators-vary-significantly-their-decision-making-patterns>.

1 determination were categorically ineligible for the IDR process. As a result of these  
2 ineligible disputes, since January 2024, Anthem’s records show that Defendants have  
3 fraudulently secured millions of dollars from improper IDR awards from Anthem, while  
4 costing Anthem hundreds of thousands of dollars in IDR fees.

5 91. As alleged herein, IDR is only available for specific categories of disputes,  
6 subject to strict statutory and regulatory criteria. However, Defendants submit false  
7 attestations through the IDR portal, claiming eligibility for disputes involving: (1)  
8 services and disputes governed by a specified state law (*i.e.*, California’s Surprise  
9 Billing Laws); (2) services not covered by the patient’s plan; (3) disputes for which  
10 Defendants failed to initiate or pursue open negotiations; and (4) disputes already  
11 resolved or barred by timing rules.

12 92. The NSA Schemes both operate by exploiting the scale and automation of  
13 artificial intelligence (“AI”). Promoting their use of AI in IDR submissions, the  
14 HaloMD Defendants, on behalf of and in coordination with the MPOWERHealth  
15 Defendants and the LaRoque Family Providers, on the one hand, and HaloMD on behalf  
16 of and in coordination with the Sound Physicians Providers, on the other, have flooded  
17 the IDR system with fraudulent disputes at an industrial scale, deliberately  
18 overwhelming IDR safeguards and enabling payment on their fraudulent disputes.

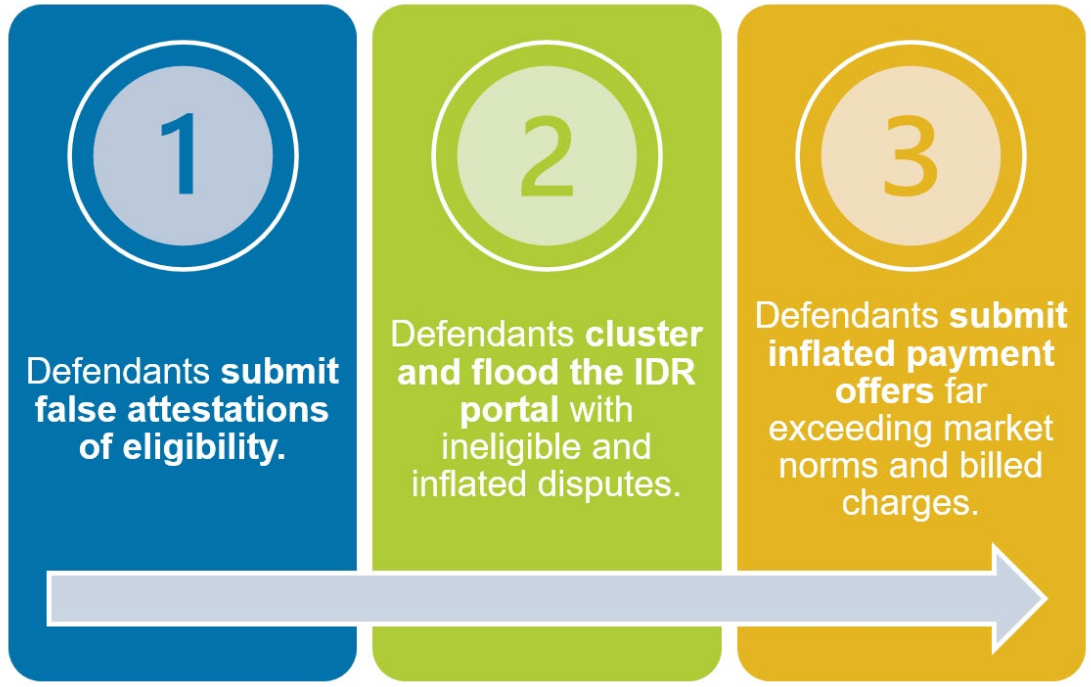
19 93. Both NSA Schemes involve three related tactics. **First**, using interstate  
20 wires, Defendants make repeated false statements, representations, and attestations of  
21 eligibility to Anthem, the IDREs, and the Departments. **Second**, Defendants manipulate  
22 the IDR process by strategically submitting massive numbers of open negotiations and  
23 IDR initiations—hundreds of which are patently ineligible for IDR—in an attempt to  
24 overwhelm the ability of health plans like Anthem to contest claims, confuse and swamp  
25 IDREs, and manipulate the IDR process. **Third**, Defendants capitalize on flaws in the  
26 IDR process by submitting—and often prevailing with—outrageous payment offers that  
27 they could never receive on the open market, including many that exceed the Provider  
28 Defendants’ own billed charges. *See* H.R. Rep. No. 116-615 (2020), at 53, 57 (noting

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 that billed charges should not be considered in the IDR process because they are  
2 “inflated,” arbitrary, and “non-market-based” figures).

3 94. Through their respective NSA Schemes, the LaRoque Family Enterprise  
4 and the Sound Physicians Enterprise have intentionally turned the NSA’s IDR process  
5 into a vehicle for fraud.

6 95. This multi-step process is depicted visually in the diagram below:



18 **I. Defendants Knowingly Make False Statements, Representations, and**  
19 **Attestations of Eligibility to Initiate the IDR Process.**

20 96. When flooding the IDR process with ineligible disputes against Anthem,  
21 Defendants make repeated false attestations and representations that the items or  
22 services in dispute are “qualified item(s) and/or service(s) within the scope of the  
23 Federal IDR process” when, in fact, they known they are not. 45 C.F.R.  
24 § 149.510(b)(2)(iii)(A)(6); *see also* Notice of IDR Initiation Form, U.S. Dep’t of Labor,  
25 available at [https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/no-](https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/no-surprises-act/notice-of-idr-initiation.pdf)  
26 [surprises-act/notice-of-idr-initiation.pdf](https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/no-surprises-act/notice-of-idr-initiation.pdf). Defendants make these false attestations and  
27 representations to Anthem, the IDRE, and the Departments.

28 97. The items and services that Defendants falsely attest are “qualified item(s)

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 and service(s) within the scope of the Federal IDR process” are patently ineligible, and  
2 Defendants know that they are ineligible when making their false attestations.

3 98. As noted above, the online process for initiating IDR is designed to—and  
4 does—notify initiating parties of the kinds of disputes that are ineligible to prevent them  
5 from submitting ineligible items or services. And Anthem frequently communicates that  
6 services are ineligible in its EOPs, during open negotiations, and after Defendants  
7 initiate the IDR process for ineligible services.

8 99. For example, Defendants know when services are subject to the California  
9 Surprise Billing Law and therefore ineligible for the IDR process. Defendants have an  
10 independent obligation to determine whether a service is eligible for IDR; before  
11 initiating open negotiations, they may review the patient’s health insurance ID card or  
12 the EOP to determine whether the plan is subject to state law or contact Anthem for  
13 further information. When Defendants initiate open negotiations for services subject to  
14 California’s Surprise Billing Laws, Anthem informs them that the dispute is not  
15 governed by the federal NSA. To prevent parties from inadvertently initiating the IDR  
16 process for services subject to a specified state law like California’s Surprise Billing  
17 Laws, the first page of the IDR initiation process also (1) provides a link to information  
18 listing states—like California—that have surprise billing laws that may render the NSA  
19 inapplicable, and (2) informs initiating parties that they must submit an attestation that  
20 the services at issue are qualified IDR items or services within the scope of the Federal  
21 IDR process. And before initiating the IDR process, Defendants affirmatively attest that  
22 the services are “qualified item(s) and/or services(s) within the scope of the Federal IDR  
23 process.” Defendants submit these fraudulent attestations for disputes clearly subject to  
24 California’s Surprise Billing Laws with full knowledge of their falsity.

25 100. As another example, Defendants also know when they initiate disputes for  
26 services where no open negotiation occurred. As part of the IDR initiation process,  
27 initiating parties must also identify, among other things, the specific date that they  
28 initiated open negotiations and documentation supporting the open negotiations

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 process. They then affirmatively attest that the “item(s) and service(s) at issue are  
2 qualified items and/or service(s) within the scope of the Federal IDR process.” In order  
3 to push their ineligible services through the IDR process, Defendants must affirmatively  
4 make false statements; if they do not, the system prevents them from proceeding with  
5 their ineligible services. Of course, the IDR Portal cannot tell when the provider  
6 misrepresents information about the relevant plan, service, or dispute because it relies  
7 on truthful and accurate submissions by the initiating party. Defendants take advantage  
8 of this vulnerability in the system to carry out the NSA Scheme.

9 101. In addition, even when Defendants manage to push through ineligible  
10 claims by submitting false statements to the federal IDR portal, Anthem often directly  
11 notifies Defendants that the items or services at issue in their IDR initiation violate the  
12 NSA’s eligibility requirements. Yet, despite receiving this information, Defendants  
13 routinely proceed with their IDR disputes anyway—demonstrating not only their  
14 knowledge of the fraud, but their intentional and ongoing participation in it.

15 102. Such disputes cannot proceed through the IDR Portal by mere inadvertence  
16 or neglect on the part of Defendants. Instead, Defendants knowingly make false  
17 statements and representations to bypass the system’s safeguards. Each and every one  
18 of Defendants’ electronic submissions to the Departments and the IDRE for these  
19 ineligible disputes constitutes an overt act in furtherance of their wire fraud scheme;  
20 Defendants had to input misrepresentations about the type of plan, service, or nature of  
21 the dispute and falsely attest that the “item(s) and service(s) at issue are qualified items  
22 and/or service(s) within the scope of the Federal IDR process” to overcome the IDR  
23 system’s safeguards and get their disputes submitted.

24 103. Typically, the HaloMD Defendants make these false attestations of  
25 eligibility when initiating the IDR process on behalf and with full knowledge of the  
26 LaRoque Family Providers and the MPOWERHealth Defendants in furtherance of the  
27 NSA Scheme. Similarly, HaloMD makes these false attestations of eligibility when  
28 initiating the IDR process on behalf and with full knowledge of the Sound Physicians

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Providers in furtherance of the NSA Scheme. And the Sound Physicians Providers  
2 themselves sometimes make false attestations of eligibility when initiating the IDR  
3 process, further establishing their knowledge of and participation in the NSA Scheme.

4 104. In sum, the LaRoque Family Providers and the Sound Physicians Providers  
5 are fully aware of the false attestations that the HaloMD Defendants submit in their  
6 names and actively participate in the scheme by authorizing, directing, or ratifying the  
7 submissions. Their and the MPOWERHealth Defendants’ coordination with the  
8 HaloMD Defendants is deliberate, sustained, and central to the execution of the NSA  
9 Schemes.

10 **II. Defendants Strategically Initiate a Massive Volume of IDR Disputes**  
11 **Simultaneously.**

12 105. To further ensure that the hundreds of knowingly ineligible, falsely  
13 attested-to disputes against Anthem go undetected and proceed to a payment  
14 determination, Defendants also initiate a massive number of fraudulent IDR disputes all  
15 at once to overwhelm the IDR system. This abuse of volume is not coincidental; it is  
16 strategic to secure favorable or default outcomes by ensuring that health plans have  
17 insufficient time to challenge eligibility, and IDREs cannot complete fulsome reviews  
18 in the timeline provided by the NSA, in furtherance of the NSA Schemes.

19 106. Overall, the NSA’s IDR process has been overwhelmed by a staggering  
20 volume of disputes that far exceed the government’s initial estimates.

21 107. Before the IDR process launched, CMS estimated that parties would  
22 initiate about 22,000 IDR process disputes in the first year.<sup>13</sup>

23 108. Providers have shattered those estimates. The most recent government  
24 statistics show that in the second half of 2024, disputing parties—virtually all of whom  
25 are providers—initiated **853,374 disputes**, 40 percent more than the first half of 2024  
26  
27

---

28 <sup>13</sup> See 86 Fed. Reg. 55,980, 56,068, 56,070 (Oct. 7, 2021).

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 (610,498).<sup>14</sup> This figure from **6 months** is nearly **39 times** the volume of disputes that  
2 the government originally anticipated **over a full year**.

3 109. Government reporting also shows that most disputes are initiated by a  
4 small number of providers and their representatives. The top ten initiating parties  
5 initiated about 71 percent of all disputes initiated in the last six months of 2024, and the  
6 top three initiating parties initiated about 43 percent of all disputes during that period.  
7 *Id.*

8 110. HaloMD is among the three most prolific filers of IDR process disputes.  
9 During the last six months of 2024, HaloMD initiated **134,318 disputes** through the  
10 IDR process—which by itself exceeded the government’s original estimate for total  
11 annual disputes **more than sixfold**.<sup>15</sup> That means HaloMD was initiating an average of  
12 more than **746 disputes against health plans per day**. *See id.*

13 111. As part of the NSA Scheme, Defendants strategically initiate hundreds of  
14 IDR process disputes against Anthem simultaneously on the same day, many of which  
15 are fraudulent as they do not involve qualified IDR items or services within the scope  
16 of the NSA’s IDR process.

17 112. For example, on May 3, 2024, Defendants initiated 126 separate IDR  
18 proceedings against Anthem. Ninety-seven of the disputes were not eligible for IDR in  
19 the first place. Yet in 65 of the disputes, based on false attestations of eligibility  
20 provided by Defendants, Anthem was ordered to pay an additional \$204,000 from what  
21 was originally reimbursed, plus more than \$30,000 in fees associated with the IDR  
22 process.

23  
24 <sup>14</sup> *Supplemental Background on the Federal IDR Public Use Files, July 1, 2024—Dec.*  
25 *31, 2024* (as of May 28, 2025), available at <https://www.cms.gov/files/document/federal-idr-supplemental-background-2024-q3-2024-q4.pdf>.

26 <sup>15</sup> *See Federal IDR Supplemental Tables for Q3 2024* (as of May 28, 2025), available  
27 at <https://www.cms.gov/files/document/federal-idr-supplemental-tables-2024-q3.xlsx>;  
28 *Federal IDR Supplemental Tables for Q4 2024* (as of May 28, 2025), available at  
<https://www.cms.gov/files/document/federal-idr-supplemental-tables-2024-q4-may-28-2025.xlsx>.

1 113. The baseball-style dispute resolution process, wherein the IDRE has no  
2 authority to modify the parties’ bids, is premised on the notion that ineligible claims  
3 will be weeded out at the outset.

4 114. Defendants’ goals are to interfere with Anthem’s and the IDR process  
5 infrastructure’s ability to effectively identify ineligible disputes and to overwhelm the  
6 IDR system and the IDREs that make cursory eligibility and payment determinations.

7 115. Through considerable operational burden and expense, Anthem has crafted  
8 workflows allowing it to identify most of the unqualified items or services and notify  
9 Defendants that the disputes do not quality for IDR. Yet despite Anthem’s objections,  
10 most of Defendants’ ineligible disputes reach a payment determination due to  
11 Defendants’ knowingly false attestations of eligibility.

12 116. According to federal law, “the certified IDR entity selected must review  
13 the information submitted in the notice of IDR initiation”—including Defendants’ false  
14 attestations of eligibility—“to determine whether the Federal IDR process applies.” 45  
15 C.F.R. § 149.510(c)(1)(v). And IDREs have no incentive to dismiss disputes due to  
16 ineligibility because they only receive compensation if a dispute reaches a payment  
17 determination. *See* 42 U.S.C. § 300gg-111(c)(5)(F). Defendants exploit this incentive  
18 structure to carry out their fraudulent scheme.

19 117. When receiving an avalanche of ineligible disputes from Defendants all at  
20 once, IDREs rely on Defendants’ false attestations of eligibility to reach and issue a  
21 payment determination on ineligible disputes.

22 118. Since at least 2024, nearly half of disputes from Defendants that reached a  
23 payment determination were ineligible for the IDR process, often despite objections  
24 from Anthem. From these fraudulent submissions alone, Defendants have received  
25 millions of dollars in improper IDR award payments and related fees.

26  
27  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 **III. Defendants Submit Outrageous Payment Offers to Fraudulently Inflate**  
2 **Payments on IDR Disputes.**

3 119. The final step in Defendants’ NSA Schemes involves inflating their  
4 reimbursement demand to levels far beyond commercially reasonable rates and  
5 sometimes even above the Provider Defendants’ billed charges. Their goal is to  
6 manipulate IDREs into selecting inflated amounts by anchoring the dispute to a grossly  
7 exaggerated number. By submitting a grossly inflated offer, Defendants artificially shift  
8 the IDRE’s frame of reference upward. And due to systemic issues with the IDR  
9 process, Defendants frequently prevail with their unreasonable offer—even if it is far  
10 above commercially reasonable rates or even above what the Provider Defendants had  
11 billed.

12 120. As noted, government data shows that IDRE payment determinations skew  
13 heavily in favor of providers and heavily in excess of the QPA that Congress directed  
14 IDREs to follow. In the most recent reporting period, providers prevailed in 85 percent  
15 of IDR payment determinations.<sup>16</sup> For line items in which the provider prevailed, the  
16 median payment determination was 459 percent of the QPA.<sup>17</sup>

17 121. Defendants know that IDREs select the provider’s offer in more than eight  
18 out of every ten payment determinations, so they can frequently prevail with outrageous  
19 offers.

20 122. Defendants also know that IDREs cannot consider the provider’s charges  
21 when making a payment determination. 42 U.S.C. § 300gg-111(c)(5)(D). Congress  
22 prohibited IDREs from considering “inflated,” “non-market-based rates such as the  
23 providers’ billed charges” because merely *considering* the provider’s charge “may  
24 drive up consumer costs.” H.R. Rep. No. 116-615, at 53, 57.

25 <sup>16</sup> *Supplemental Background on the Federal IDR Public Use Files, July 1, 2024—Dec.*  
26 *31, 2024*, CMS, *supra*.

27 <sup>17</sup> *See Independent Dispute Resolution Reports, Federal IDR PUF for 2024 Q4 (as of*  
28 *May 28, 2025)*, CMS, available at <https://www.cms.gov/nosurprises/policies-and-resources/reports>.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 123. While shielding the IDRE from the inflated billed changes was supposed  
2 to offer a measure of protection for both payors and consumers, Defendants have turned  
3 the rule on its head to further exploit both. Defendants have taken to submitting offers  
4 that actually *exceed billed charges*, knowing full well that the IDREs will necessarily  
5 be blind to their scheme.

6 124. For more than 380 IDR disputes, Defendants' payment offers exceeded the  
7 charges that they initially billed Anthem by more than \$1.5 million. Of those disputes  
8 where Defendants prevailed with offers that exceeded their original billed charges  
9 (approximately 240), Anthem was ordered to pay over \$980,000 more than the initial  
10 billed charges. One hundred eighteen such disputes were ineligible for IDR in the first  
11 place, accounting for more than \$380,000 in payments above billed charges that  
12 Anthem was ordered to pay.

13 125. These amounts far exceed what the Provider Defendants could expect to  
14 receive for their services from patients or from health plans in a competitive market.  
15 Indeed, upon information and belief, prior to the enactment of the NSA, the Provider  
16 Defendants rarely, if ever, recovered their full billed charges from patients or health  
17 plans. But through their scheme to exploit the IDR process, Defendants' systematic  
18 requests for these exorbitant amounts intentionally exploit the IDR process for undue  
19 gains at Anthem's expense.

20 **IV. Defendants' NSA Scheme Damages Anthem, Affiliated Health Plans, and**  
21 **Consumers.**

22 126. As a result of Defendants' unlawful conduct, Anthem and its affiliated  
23 health plans have paid excessive amounts for medical services and incurred unnecessary  
24 administrative and dispute resolution fees. The financial harm caused by Defendants'  
25 abusive practices is ongoing and threatens the affordability and sustainability of health  
26 benefits for Anthem's members.

27 127. From January 4, 2024, to August 2025, Anthem's records show that  
28 Defendants initiated at least 1,500 IDR proceedings, consisting of more than 2,000

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 separate services, against Anthem. However, the earliest publicly available data  
2 published by CMS shows that the Provider Defendants were parties to IDR  
3 determinations against Anthem in 2023, so the scheme likely began then or before.

4 128. Anthem determined that approximately 47 percent of these disputes were  
5 ineligible for IDR for reasons like failure to initiate mandatory open negotiations,  
6 California’s Surprise Billing Laws governed the dispute, or the services were not  
7 covered by the patient’s health plan. For these ineligible disputes catalogued in  
8 Anthem’s data, Defendants illicitly secured millions of dollars in improper IDR awards.

9 129. Defendants’ exploitation of the IDR process is contributing to billions of  
10 dollars in additional costs. From 2022 to 2024, the IDR process has led to at least \$5  
11 billion in total costs.<sup>18</sup> Of the \$5 billion, \$2.24 billion in costs arose from payment  
12 determinations in favor of the provider.<sup>19</sup> Administrative and IDR entity fees total \$884  
13 million.<sup>20</sup> “[T]he high costs will add to overall health system costs and will ultimately  
14 be paid by consumers.”<sup>21</sup>

15 **THE LAROQUE FAMILY ENTERPRISE**

16 130. The members of the LaRoque Family Enterprise were organized pursuant  
17 to a structure that enabled the enterprise to make and carry out decisions in furtherance  
18 of the NSA Scheme. The LaRoque Family Enterprise functioned as a continuing unit  
19 with established duties that enabled it to design and coordinate the multifaceted NSA  
20 Scheme to defraud Anthem and other health care plans.

21 131. In doing so, the HaloMD Defendants, the MPOWERHealth Defendants,  
22 and the LaRoque Family Providers conducted the activities of an association-in-fact  
23 enterprise consisting of Defendants Alla LaRoque, HaloMD, Scott LaRoque,  
24 \_\_\_\_\_

25 <sup>18</sup> *The Substantial Costs of the No Surprises Act Arbitration Process*, HEALTH  
26 AFFAIRS, available at [https://www.healthaffairs.org/content/forefront/substantial-  
costs-no-surprises-act-arbitration-process](https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process).

27 <sup>19</sup> *Id.*

28 <sup>20</sup> *Id.*

<sup>21</sup> *Id.*

1 MPOWERHealth, Bruin, iNeurology, N Express, and NANA through a pattern of  
2 racketeering activity, including but not limited to wire fraud.

3 132. Since at least January 2024 to the present, the MPOWERHealth  
4 Defendants and the LaRoque Family Providers, with the intent to defraud, devised and  
5 willfully participated with the HaloMD Defendants, and with knowledge of fraudulent  
6 nature, in the scheme and artifice to defraud and obtain money and property from  
7 Anthem by materially false and fraudulent pretenses, and representations, as described  
8 herein.

9 133. The members of the LaRoque Family Enterprise do not operate as separate,  
10 independent actors. Rather, the HaloMD Defendants, the MPOWERHealth Defendants,  
11 and the LaRoque Family Providers function as participants in a unified scheme designed  
12 to exploit the IDR process and defraud Anthem.

13 134. Defendant Alla LaRoque and her husband, Defendant Scott LaRoque, are  
14 at the center of the LaRoque Family Enterprise. The LaRoque Family Enterprise  
15 operates via a web of interrelated corporate entities they directly or indirectly control,  
16 including Defendants HaloMD, MPOWERHealth, and the LaRoque Family Providers.  
17 Upon information and belief, the structure of the enterprise consists of Defendants Scott  
18 LaRoque, MPOWERHealth, and the LaRoque Family Providers' IONM entities, on the  
19 one hand, which provide the underlying services for the claims that are submitted to the  
20 IDR process, and Defendants Alla LaRoque and HaloMD, on the other, which process  
21 and fraudulently submit such services through the IDR process on a mass scale.

22 **I. The MPOWERHealth Defendants**

23 135. Defendant Scott LaRoque is the founder and CEO of MPOWERHealth.  
24 Upon information and belief, as the founder and CEO, Scott LaRoque exercises both  
25 managerial and operational control over MPOWERHealth and, by extension, the  
26 LaRoque Family Providers.

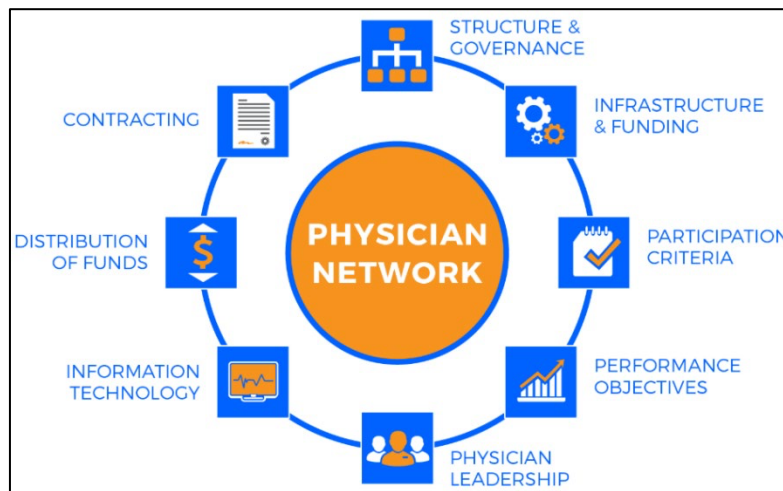
27 136. Based in Addison, Texas, MPOWERHealth purports to be an  
28 administrative services and staffing company with hundreds of physicians and

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 technologists that cover more than 35,000 surgical cases annually in 22 states, including  
2 California.<sup>22</sup> MPOWERHealth is located at the 5080 Spectrum Address and, according  
3 to public records, is also associated with the 2915 W Bitters Address.

4 137. MPOWERHealth offers staffing of IONM physicians and technicians to  
5 its clients.<sup>23</sup> IONM involves the continuous monitoring of the “integrity of neural  
6 structures and consciousness during surgical procedures.”<sup>24</sup> During surgery, an IONM  
7 technician attaches various sensors to the patient. A physician monitors those sensors’  
8 output while a technician monitors the performance of the equipment. Often, the  
9 physician’s services and the technician’s services are billed separately. Patients  
10 generally do not choose their IONM providers, and they are often out-of-network.

11 138. MPOWERHealth’s business is multi-faceted. It solicits physicians to join  
12 MPOWERHealth’s “clinically integrated physician networks,” which purport to  
13 digitally scale individual physician practices by connecting them to other physicians to  
14 “improve quality, promote efficiency, manage costs and drive exceptional patient  
15 experience.”<sup>25</sup> In this way, MPOWERHealth acts as a physician management  
16 organization:



24 <sup>22</sup> See <https://mpowerhealth.com/our-purpose/>.

25 <sup>23</sup> See <https://mpowerhealth.com/intraoperative-neuromonitoring-services-hospitals/>;  
26 <https://mpowerhealth.com/intraoperative-neuromonitoring-services-physicians/>

27 <sup>24</sup> D. Ghatol et al., *Intraoperative Neurophysiological Monitoring*, StatPearls  
Publishing (2025), available at <https://www.ncbi.nlm.nih.gov/books/NBK563203/>.

28 <sup>25</sup> <https://mpowerhealth.com/physician-network/>.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 139. Roxanna (“Roxy”) LaRoque, the Director of Client Experience at  
2 MPOWERHealth,<sup>26</sup> is listed as the Authorized Official for approximately 320 separate  
3 providers—including each of the LaRoque Family Providers—most of which are  
4 IONM providers.<sup>27</sup>

5 140. The LaRoque Family Providers are all subsidiaries of MPOWERHealth,  
6 which centrally coordinates their IONM services and manages legal, billing, and IDR  
7 functions. According to National Plan and Provider Enumeration System (“NPPES”)  
8 records, Defendant Bruin’s Authorized Official is Dr. Robin Soffer, a neurologist who  
9 has been employed by Medsurant Monitoring since December 2015.<sup>28</sup> According to the  
10 National Provider Identifier (“NPI”) registry, Defendant Bruin is associated with a 100  
11 Front Street, Suite 280, West Conshohocken, Pennsylvania, an address also associated  
12 with Medsurant Health. Medsurant Health is an MPOWERHealth subsidiary that  
13 consists of a “family of neuromonitoring practices.”<sup>29</sup>

14 **II. The LaRoque Family Providers**

15 141. The LaRoque Family Enterprise uses the LaRoque Family Providers’  
16 purported services as the basis for initiating IDR process disputes.

17 142. Public records show that the LaRoque Family Providers are all IONM  
18 providers affiliated with the same company: Defendant MPOWERHealth. Upon  
19 information and belief, as the founder and CEO of MPOWERHealth, Defendant Scott  
20 LaRoque, exercises operational control over its subsidiaries and affiliates, including,  
21 but not limited to, the LaRoque Family Providers.

22  
23  
24 <sup>26</sup> <https://www.linkedin.com/in/roxy-LaRoque-88606340/>

25 <sup>27</sup> CMS maintains a database of all providers who have registered to bill government  
26 healthcare programs. In return, providers receive a National Provider Identifier  
27 (“NPI”), which is publicly viewable via the National Plan and Provider Enumeration  
28 System (“NPPES”) NPI Registry. See <https://npiregistry.cms.hhs.gov/search>

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 143. Per California Secretary of State records, Defendant Bruin lists the 5080  
2 Spectrum Address as its principal address and the 2915 W Bitters Address as its mailing  
3 address. According to the NPI registry, Bruin also has a mailing address of the 1141 N  
4 Loop Address. Upon information and belief, the 1141 N Loop Address is frequently  
5 associated with MPOWERHealth entities. The NPI registry’s Authorized Official for  
6 Bruin is Roxy LaRoque, Director of Client Experience at MPOWERHealth.

7 144. Defendant Bruin is also affiliated with Medsurant, LLC (“Medsurant”),  
8 which operates under the trade name Medsurant Health. Upon information and belief,  
9 in or around January 2025, Medsurant was acquired by MPOWERHealth. According to  
10 the NPI registry, Medsurant also has a business address at the 5080 Spectrum Address.  
11 Roxy LaRoque of MPOWERHealth is listed as its Authorized Official. In addition,  
12 Medsurant recently filed a change of registered agent with the California Secretary State  
13 that shows it was filed by Emily Campbell from the 5080 Spectrum Address. Upon  
14 information and belief, Campbell is MPOWERHealth’s Manager of Client Relations.

15 145. Dr. Robin Soffer, CEO of Bruin, holds herself out publicly on LinkedIn as  
16 a Medsurant employee. IDR disputes submitted on behalf of both Bruin and Medsurant  
17 use the same email address: [medsurantarbitrationnsa@halomd.com](mailto:medsurantarbitrationnsa@halomd.com). In addition,  
18 Medsurant holds a perfected security interest in all of Bruin’s assets, as evidenced by  
19 publicly filed UCC-1 financing statements.

20 146. Defendant iNeurology lists the 1141 N Loop Address as its current mailing  
21 address and previously used the 2915 W Bitters Road Address for the same purpose.  
22 According to the NPI registry, its Authorized Official is Roxy LaRoque of  
23 MPOWERHealth.

24 147. Defendants N Express and NANA also use both the 2915 W Bitters and  
25 1141 N Loop Addresses as their mailing address. According to the NPI registry, their  
26 Authorized Official is Roxy LaRoque of MPOWERHealth. NANA also lists Brenda  
27 Thiele on its Statement of Information, who holds herself out publicly on LinkedIn that  
28 she is MPOWERHealth’s Senior Manager of Treasury and former Chief of Staff and

1 Director of Operations.<sup>30</sup>

2 **III. The HaloMD Defendants**

3 148. Defendant Alla LaRoque, the wife of Defendant Scott LaRoque, is the  
4 founder and President of HaloMD. She sits on the board of MPOWERHealth<sup>31</sup> and  
5 previously served as MPOWERHealth’s Chief Operating Officer (“COO”).

6 149. Alla LaRoque is a self-described expert in the NSA whose “in-depth  
7 understanding of the law has allowed her to guide providers in navigating the  
8 complexities of the [NSA]” and “empower healthcare organizations to optimize their  
9 out-of-network revenue”<sup>32</sup> She is HaloMD’s public face and directs HaloMD’s  
10 operations.

11 150. On information and belief, as the founder and President of HaloMD, Alla  
12 LaRoque had personal knowledge about the core aspects of HaloMD’s business  
13 operations, including the wrongful activities alleged herein. She runs HaloMD as a  
14 hands-on manager, overseeing the company’s operations, business practices, and  
15 finances.

16 151. HaloMD is key to the LaRoque Family Enterprise’s scheme to flood the  
17 IDR process with knowingly ineligible disputes, without which the LaRoque Family  
18 Enterprise could not operate. HaloMD serves as a key agent and operational partner of  
19 the enterprise, submitting disputes on behalf of the MPOWERHealth and the LaRoque  
20 Family Providers at scale using a standardized platform and shared communications  
21 infrastructure. Their coordinated actions, mutual financial incentives, and repeated  
22 patterns of conduct demonstrate a shared intent to pursue improper IDR payments on a  
23 mass scale. The HaloMD and MPOWERHealth Defendants, and the LaRoque Family  
24 Providers operate with integrated, enterprise-level coordination behind the scheme.

25 152. HaloMD claims to operate “[w]ith an exclusive focus on Independent  
26

27 <sup>30</sup> <https://www.linkedin.com/in/brenda-thiele-1a4a3361/>

28 <sup>31</sup> <https://mpowerhealth.com/board-members/#>

<sup>32</sup> <https://halomd.com/alla-LaRoque/>

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Dispute Resolution (IDR)[.]”<sup>33</sup> The company markets itself as “the premier expert in  
2 Independent Dispute Resolution (IDR)” and claims to “empower out-of-network  
3 providers to secure sustainable, predictable revenue streams” and “deliver the financial  
4 outcomes that healthcare providers, practice leaders, and executives rely on for long-  
5 term financial stability.”<sup>34</sup>

6 153. HaloMD solicits and represents many different types of out-of-network  
7 providers who were key drivers in surprise billing before the enactment of the NSA,  
8 including IONM, anesthesiology, and emergency providers. These provider groups  
9 frequently retain HaloMD to administer the IDR process on their behalf.

10 154. HaloMD touts its “proprietary platform” as one founded with “advanced  
11 technology and AI-driven infrastructure[.]”<sup>35</sup> HaloMD also represents that it “instantly  
12 assesses each case for eligibility under The No Surprises Act and relevant state  
13 regulations.” Providers submit services for dispute in the IDR process through  
14 HaloMD’s portal.<sup>36</sup>

15 155. HaloMD further represents that it “gathers and organizes the necessary  
16 documentation [from the provider], [and] prepar[es] a compelling case that highlights  
17 the provider’s position, ensuring nothing is overlooked[.]”<sup>37</sup>

18 156. Upon information and belief, HaloMD leverages its AI-driven platform as  
19 part of its fraudulent billing scheme to flood the IDR system with ineligible disputes.

20 157. HaloMD operates on a commission-based reimbursement model. Its  
21 website states: “We don’t get paid until you get paid.”<sup>38</sup> HaloMD thus has a financial  
22 incentive to (1) push as many services as possible through the IDR process, regardless  
23 of the merits or the applicability of the NSA to those disputes, and (2) seek the highest

24 \_\_\_\_\_  
25 <sup>33</sup> See <https://halomd.com/>

26 <sup>34</sup> See *id.*

27 <sup>35</sup> *Id.*

28 <sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

1 possible monetary award for its provider clients in the IDR process. The  
2 MPOWERHealth Defendants and the LaRoque Family Providers share these same  
3 financial incentives.

4 158. Social media posts confirm the family-run, tightly-coordinated nature of  
5 the enterprise. In one post from April 2025, Scott and Alla LaRoque are described as  
6 “[t]he magnificent couple, owner, founder of MPower [sic] Health and HaloMD.” They  
7 routinely appear together at public events representing both companies. Both  
8 MPOWERHealth and HaloMD hosted their respective employees in early 2025 with a  
9 joint “annual achievement celebration”:



10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23 159. Defendant Alla LaRoque was MPOWERHealth’s COO from January 2014  
24 to at least January 2024, a position she held while also serving as the President of  
25 HaloMD, which was founded in 2022.

26 160. Megan Rausch, now the COO of HaloMD from October 2022 to the  
27 present, also overlapped and served as the Vice President of Revenue Cycle  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Management for MPOWERHealth from November 2019 until at least March 2024,  
2 ensuring alignment and coordination across the scheme.

3 161. MPOWERHealth and HaloMD also appear to share a physical business  
4 address, reinforcing the operational integration. According to public records, HaloMD  
5 uses the same 2915 W Bitters Address that MPOWERHealth also uses. Mapping tools  
6 confirm that both HaloMD and MPOWERHealth list the 5080 Spectrum Address as  
7 their business address. This physical overlap further indicates that these entities are  
8 operating not independently, but as components of a single, centralized operation.

9 162. In or about June 2025, HaloMD publicly referred to Defendant Scott  
10 LaRoque as its “CEO.”

11 163. The websites for HaloMD and MPOWERHealth are also nearly identical  
12 in design and structure, and their contact pages are directly linked. HaloMD’s “Join Our  
13 Team” page directs applicants back to MPOWERHealth’s domain.<sup>39</sup> Advertisements  
14 for jobs posted on the internet conflate the various entities. For example, one  
15 advertisement for an “IDR Specialist” lists the employer as MPOWERHealth, but the  
16 body of the description under the section “Who We Are” lists HaloMD as the employer  
17 and describes HaloMD.

18 164. In sum, the relationship between the HaloMD Defendants, the  
19 MPOWERHealth Defendants, and the LaRoque Family Providers is not passive.  
20 Through the coordination of the husband-wife team of Defendants Alla and Scott  
21 LaRoque—both of whom hold leadership positions in MPOWERHealth and HaloMD,  
22 respectively—HaloMD, MPOWERHealth, and the Provider Defendants acted with the  
23 common purpose of exploiting the IDR process to fraudulently obtain reimbursements  
24 from Anthem by maximizing the number of disputes submitted and inflating payment  
25 demands well beyond their billed charges or market rates. The use of HaloMD to submit  
26 ineligible disputes was not incidental or isolated; it was a deliberate component of the

27  
28 <sup>39</sup> “Join Us” at <https://halomd.com/careers/> (last visited Sept. 18, 2025).

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 LaRoque Family Enterprise’s strategy to bypass the limitations of individual-provider  
2 capacity, automate the submission of disputes en masse, and conceal the ineligibility  
3 embedded in each claim. And although HaloMD advertises the power of its AI-powered  
4 proprietary platform, it requires a key element that can only be provided by the  
5 MPOWERHealth Defendants and the LaRoque Family Providers—out-of-network  
6 patient services that can be billed to health care plans and subsequently submitted to the  
7 IDR process.

8 **IV. The LaRoque Family Enterprise Fraudulently Exploits the IDR**  
9 **Process at the Expense of Anthem.**

10 165. During the relevant time period, the LaRoque Family Enterprise  
11 transmitted or caused to be transmitted by wire communication or radio communication  
12 in interstate commerce, writings, signs, signals, pictures, and sounds, including false  
13 and fraudulent statements, representations, and attestations related to IDR disputes,  
14 from and between the state in which they operate—for example, California and Texas—  
15 to Certified Independent Dispute Resolution Entities located in various states,  
16 including, for example, Florida, Texas, Pennsylvania, Michigan, New York, and  
17 Maryland, in furtherance of the fraudulent scheme.

18 166. Specifically, since 2024, Anthem has identified more than 330 ineligible  
19 disputes that the LaRoque family Enterprise caused to be initiated against Anthem.  
20 These identified ineligible disputes represent an improper cost to Anthem of more than  
21 \$125,000 in administrative and IDRE fees. Further, of the ineligible disputes identified,  
22 almost 200 IDR determinations were rendered against Anthem, resulting in required  
23 payments of nearly \$1.9 million—a number which is \$323,000 more than the charges  
24 the providers originally billed to Anthem.

25 167. Defendants made false and fraudulent statements, representations, and  
26 attestations related to the following illustrative fraudulent IDR disputes, including, but  
27 not limited to, the following:  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1           **A. Bruin Neurophysiology**

2           **DISP-918898 (Untimely IDR Initiation)**

3           168. The IDR proceeding captioned DISP-918898 involved a service that Bruin  
4 rendered on May 22, 2023, to a member of a health plan administered by ABCLH. On  
5 June 2, 2023, ABCLH issued payment of \$129.32 using the remittance code AUQ,  
6 which provided specific instructions to the provider for initiating the mandatory open  
7 negotiation period.

8           AUQ	This claim was paid according to the Federal No Surprises Act. The member is only responsible for their in-network copay, percentage of the cost (co-insurance), and deductible. You cannot bill the member for more. If you disagree with our decision, you can initiate the 30-day open negotiation period through Availity.com. Log onto Availity.com and select the Claims & Payments tab. Use the Claims Status application to find your claim. Select the Dispute button to attach additional supporting documentation and press Submit Attachments. If the dispute button is not available, use the Chat with Payer button on Availity.com.
-----------------	--

9  
10  
11  
12           169. On July 17, 2023, HaloMD, acting on behalf of and in coordination with  
13 Bruin, sent a notice of open negotiation to ABCLH to initiate the federal IDR process.  
14 HaloMD sent a notice of Open Negotiation initiation to ABCLH via email to the  
15 Anthem IDR Email Address, using the email address  
16 [medsurantarbitrationnsa@halomd.com](mailto:medsurantarbitrationnsa@halomd.com) with [Ashonta.Whitehead@halomd.com](mailto:Ashonta.Whitehead@halomd.com) copied.  
17 The open negotiation notice was signed by Megan Rausch (HaloMD), noted to be the  
18 “Provider Representative” at the 2915 W Bitters Address. HaloMD offered to negotiate  
19 an additional payment of \$125.18 for each of the two instances of service code 95886  
20 provided to the ABCLH member.

21           170. On September 25, 2023, Anthem Payment Disputes, on behalf of ABCLH,  
22 addressed its response to the notice of open negotiation to Bruin, ATTN: Megan  
23 Rausch, at the 2915 W. Bitters Address, stating that the services included on the request  
24 “were paid at the maximum amount as required by the member’s health plan” and that  
25 “no additional payment can be considered.” Neither HaloMD nor Bruin responded to  
26 this September 25, 2023, letter.

27           171. Nearly four months after this letter, on January 12, 2024, HaloMD, on  
28 behalf of and in coordination with Bruin, using the email address [nsa@halomd.com](mailto:nsa@halomd.com),

1 falsely attested to IDR eligibility. ABCLH submitted an objection to eligibility asserting  
2 that Bruin had not filed its IDR proceeding within the required time. The notice of  
3 ineligibility was sent to both Bruin and HaloMD, yet neither HaloMD nor Bruin  
4 withdrew the dispute.

5 172. As a result of HaloMD and Bruin’s fraudulent attestations, ABCLH paid  
6 \$12,993.28—103 times the QPA calculated by HaloMD and Bruin at the initiation of  
7 the IDR proceeding and over \$12,000 more than HaloMD and Bruin initially valued the  
8 service during negotiations. ABCLH also paid \$750 in unnecessary IDR-related fees.

9 **B. North American Neurological Associates**

10 **DISP-1455557 (No Open Negotiation)**

11 173. The IDR proceeding captioned DISP-1455557 involved a service that  
12 NANA rendered on March 11, 2024, to a member of a health plan administered by  
13 ABCLH

14 174. When ABCLH issued payment, which was equal to the QPA for the  
15 service, the EOB sent to NANA at the 1141 N Loop Address reflected that the claim  
16 was processed pursuant to explanation code AUQ. The description of this code, printed  
17 at the end of the EOB, indicated: “This claim was paid according to the Federal No  
18 Surprises Act. ... If you disagree with our decision, you can initiate the 30-day open  
19 negotiation period[.]” Neither NANA, nor HaloMD acting on its behalf, initiated the  
20 30-day open negotiation period as required.

21 175. Even though neither NANA nor HaloMD initiated open negotiations for  
22 this service, on June 21, 2024, HaloMD, using the email address [nsa@halomd.com](mailto:nsa@halomd.com), on  
23 behalf of and in coordination with NANA, initiated IDR and falsely attested that the  
24 service was a qualified IDR item or service within the scope of the federal IDR Process  
25 and that NANA and/or HaloMD had complied with the requirements of the NSA in  
26 submitting the claim.

27 176. On December 11, 2024, Anthem Payment Disputes, on behalf of ABCLH,  
28 submitted an objection to eligibility, which was also addressed to the NANA provider

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 who performed the service, stating, “The non-participating provider/facility failed to  
2 engage in the 30-business day open negotiation period, according to the NSA. Providers  
3 cannot pursue IDR unless and until the open negotiation period is properly initiated and  
4 completed.” Neither HaloMD nor NANA withdrew the dispute following this explicit  
5 notice of ineligibility.

6 177. As a result of HaloMD’s and NANA’s fraudulent attestations, ABCLH  
7 paid \$6,632.10 for the ineligible service along with \$512 in unnecessary IDR-related  
8 fees.

9 **DISP-1455555 (No Open Negotiation)**

10 178. The IDR proceeding captioned DISP-1455555 involved a service that  
11 NANA rendered on March 11, 2024, to a member of a health plan administered by  
12 ABCLH

13 179. When ABCLH issued payment, which was equal to the QPA for the  
14 service, the EOB sent to NANA at the 1141 N Loop Address reflected that the claim  
15 was processed pursuant to explanation code AUQ. The description of this code, printed  
16 at the end of the EOB, indicated: “This claim was paid according to the Federal No  
17 Surprises Act. ... If you disagree with our decision, you can initiate the 30-day open  
18 negotiation period[.]” Neither NANA, nor HaloMD acting on its behalf, initiated the  
19 30-day open negotiation period as required.

20 180. Even though neither NANA nor HaloMD initiated open negotiations for  
21 this service, on June 21, 2024, HaloMD, using the email address [nsa@halomd.com](mailto:nsa@halomd.com), on  
22 behalf of and in coordination with NANA, initiated IDR and falsely attested that the  
23 service was a qualified item or service within the scope of the federal IDR Process and  
24 that NANA and/or HaloMD had complied with the requirements of the NSA in  
25 submitting the claim.

26 181. On December 11, 2024, Anthem Payment Disputes, on behalf of ABCLH,  
27 submitted an objection to eligibility, which was also addressed to the NANA provider  
28 who performed the service, stating “The non-participating provider/facility failed to

1 engage in the 30-business day open negotiation period, according to the NSA. Providers  
2 cannot pursue IDR unless and until the open negotiation period is properly initiated and  
3 completed.” Neither HaloMD nor NANA withdrew the dispute following this explicit  
4 notice of ineligibility.

5 182. As a result of HaloMD and NANA’s fraudulent attestations, ABCLH paid  
6 \$9,843.83—*approximately \$3,000 more than NANA’s billed charges*—along with  
7 \$512 in unnecessary IDR-related fees.

8 **C. N Express**  
9 **DISP-2193991 (Ineligible State Law Claim)**

10 183. The IDR proceeding captioned DISP-2193991 involved a service that N  
11 Express rendered on October 23, 2023, to a member of a health plan administered by  
12 ABC. The member’s plan is subject to state law, and therefore, California’s Surprise  
13 Billing Laws—rather than the NSA—governed the reimbursement rate for services.

14 184. On December 12, 2023, HaloMD, on behalf of and in coordination with N  
15 Express, initiated open negotiations by emailing the Anthem IDR Email Address, using  
16 the email address [nsa@halomd.com](mailto:nsa@halomd.com) and copying [keiasha.berry@halomd.com](mailto:keiasha.berry@halomd.com). HaloMD  
17 requested an additional payment of \$1,790.55 for the service.

18 185. On December 26, 2023, ABC responded to HaloMD’s notice of open  
19 negotiation, via the Anthem IDR Email Address, and indicated that “[a]fter a careful  
20 and thorough review, it [was] determined that the claim submitted does not meet the  
21 Federal No Surprises Act Guidelines.” Neither HaloMD nor N Express responded to  
22 this notice of ineligibility.

23 186. Despite clear ineligibility due to application of California’s Surprise  
24 Billing Laws, on December 2, 2024, “CJR” of HaloMD, using the email address  
25 [nsa@halomd.com](mailto:nsa@halomd.com), on behalf of and in coordination with N Express, initiated IDR and  
26 falsely certified the service as IDR eligible.

27 187. On December 6, 2024, ABC submitted an objection to eligibility, which  
28 was also addressed to N Express, stating: “The claim(s) is ineligible for IDR under the

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 NSA because a state surprise billing law applies.” Neither HaloMD nor N Express  
2 withdrew the dispute following this explicit notice of ineligibility.

3 188. As a result of HaloMD and N Express’s fraudulent attestations, ABC paid  
4 \$7,745.56—*more than double the billed amount* of \$3,825—along with \$510 in  
5 unnecessary IDR-related fees.

6 **DISP-2193967 (Ineligible State Law Claim)**

7 189. The IDR proceeding captioned DISP-2193967 involved a service that N  
8 Express rendered on October 23, 2023, to a member of a health plan administered by  
9 ABC. The member’s plan is subject to state law and, therefore, California’s Surprise  
10 Billing Laws—rather than the NSA—governed the reimbursement rate for services.

11 190. On December 12, 2023, HaloMD, on behalf of and in coordination with N  
12 Express, sent a notice of Open Negotiation to ABC via email to the Anthem IDR Email  
13 Address, using the email address [nsa@halomd.com](mailto:nsa@halomd.com) and copying  
14 [keiasha.berry@halomd.com](mailto:keiasha.berry@halomd.com). HaloMD requested an additional payment of \$2,547.53  
15 for the service.

16 191. On December 26, 2023, ABC, via the Anthem IDR Email Address,  
17 responded to HaloMD’s notice of open negotiation and indicated that “[a]fter a careful  
18 and thorough review, it [was] determined that the claim submitted does not meet the  
19 Federal No Surprises Act Guidelines.” Neither HaloMD nor N Express responded to  
20 this notice of ineligibility.

21 192. December 2, 2024, “CJR” of HaloMD, using the email address  
22 [nsa@halomd.com](mailto:nsa@halomd.com), on behalf of and in coordination with N Express, initiated IDR and  
23 falsely certified the service as IDR-eligible.

24 193. On December 6, 2024, ABC submitted an objection to eligibility, which  
25 was also addressed to N Express, stating: “The claim(s) is ineligible for IDR under the  
26 NSA because a state surprise billing law applies” Neither HaloMD nor N Express  
27 withdrew the dispute following this explicit notice of ineligibility.

28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 194. As a result of HaloMD and N Express’s fraudulent attestations, ABC paid  
2 \$12,293.84 for the ineligible service along with \$510 in unnecessary IDR-related fees.

3 **DISP-945678 (Ineligible State Law Claim)**

4 195. The IDR proceeding captioned DISP-945678 involved a service that N  
5 Express rendered on October 23, 2023, to a member of a fully insured group health plan  
6 administered by ABC. The member’s plan is subject to state law and, therefore,  
7 California’s Surprise Billing Laws—rather than the NSA—governed the  
8 reimbursement rate for services.

9 196. On December 12, 2023, HaloMD, on behalf of and in coordination with N  
10 Express, sent a notice of Open Negotiation to ABC via email to the Anthem IDR Email  
11 Address, using the email address [nsa@halomd.com](mailto:nsa@halomd.com) and copying  
12 [keiasha.berry@halomd.com](mailto:keiasha.berry@halomd.com). HaloMD requested an additional payment of \$1,960.33  
13 for the service.

14 197. On December 26, 2023, ABC, via the Anthem IDR Email Address,  
15 responded to HaloMD’s notice of open negotiation and indicated that “[a]fter a careful  
16 and thorough review, it [was] determined that the claim submitted does not meet the  
17 Federal No Surprises Act Guidelines.” Neither HaloMD nor N Express responded to  
18 this notice of ineligibility.

19 198. On December 2, 2024, HaloMD, using the email address  
20 [nsa@halomd.com](mailto:nsa@halomd.com), on behalf of and in coordination with N Express, initiated IDR and  
21 falsely certified the service as IDR-eligible.

22 199. ABC submitted an objection to eligibility, which was also addressed to N  
23 Express, stating: “The claim(s) is ineligible for IDR under the NSA because a state  
24 surprise billing law applies.” Neither HaloMD nor N Express withdrew the dispute  
25 following this explicit notice of ineligibility.

26 200. As a result of HaloMD and N Express’s fraudulent attestations, ABC paid  
27 \$8,585.29—*nearly double the billed amount* of \$3,825—along with \$510 in  
28 unnecessary IDR-related fees.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 **D. iNeurology**

2 **DISP-937342 (Non-Covered Service)**

3 201. The IDR proceeding captioned DISP-937342 involved a service that  
4 iNeurology rendered on September 19, 2023, to a member of a health plan administered  
5 by ABC. ABC denied payment for the service. No QPA applied to this service given  
6 the denial.

7 202. On December 6, 2023, HaloMD, on behalf of and in coordination with  
8 iNeurology, sent a notice of Open Negotiation to ABC via email to the Anthem IDR  
9 Email Address, using the email address [nsa@halomd.com](mailto:nsa@halomd.com) and copying  
10 [keiasha.berry@halomd.com](mailto:keiasha.berry@halomd.com). HaloMD requested an additional payment of \$1,960.33  
11 for the service. The notice of open negotiation was signed by Megan Rausch, noted to  
12 be the “Provider Representative,” with a return address noted as the 2915 W. Bitters  
13 Address.

14 203. On December 19, 2023, ABC, via the Anthem Email Address, responded  
15 to HaloMD’s open negotiation request and indicated that “[a]fter a careful and thorough  
16 review, it [was] determined that the claim submitted does not meet the Federal No  
17 Surprises Act Guidelines.” Neither HaloMD nor iNeurology responded to this notice of  
18 ineligibility.

19 204. On January 22, 2024, HaloMD, using the email address [nsa@halomd.com](mailto:nsa@halomd.com),  
20 on behalf of and in coordination with iNeurology, initiated IDR and falsely attested to  
21 IDR eligibility.

22 205. As a result of HaloMD and iNeurology’s fraudulent attestations, ABC paid  
23 \$7,309.58—*more than six times the billed amount* of \$1,275—along with \$510.00 in  
24 unnecessary IDR-related fees, on a service for which no plan benefits were payable in  
25 the first place.

26 **THE SOUND PHYSICIANS ENTERPRISE**

27 206. Like the LaRoque Family Enterprise, the members of the Sound Physicians  
28 Enterprise were organized pursuant to a structure that enabled the enterprise to make

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 and carry out decisions in furtherance of the NSA Scheme. The Sound Physicians  
2 Enterprise functioned as a continuing unit with established duties that enabled it to  
3 design and coordinate the multifaceted NSA Scheme to defraud Anthem and other  
4 health care plans.

5 207. In doing so, HaloMD and the Sound Physicians Providers conducted the  
6 activities of an association-in-fact enterprise consisting of Defendants HaloMD, SPAC,  
7 and SPEMSC, through a pattern of racketeering activity, including but not limited to  
8 wire fraud.

9 208. Since at least January 2024 to the present, the Sound Physicians Providers,  
10 with the intent to defraud, devised and willfully participated with HaloMD, and with  
11 knowledge of fraudulent nature, in the scheme and artifice to defraud and obtain money  
12 and property from Anthem by materially false and fraudulent pretenses, statements, and  
13 representations, as described herein.

14 209. The members of the Sound Physicians Enterprise do not operate as  
15 separate, independent actors. Rather, the Sound Physicians Providers and HaloMD  
16 function as participants in a unified scheme designed to exploit the IDR process and  
17 defraud Anthem.

18 **I. Defendant HaloMD**

19 210. Like the LaRoque Family Enterprise, HaloMD is the key to the Sound  
20 Physicians Enterprise’s scheme to flood the IDR process with knowingly ineligible  
21 disputes.

22 211. Operating “[w]ith an exclusive focus on Independent Dispute Resolution  
23 (IDR),” HaloMD leverages AI and automation to effectuate the scheme “at scale.”<sup>40</sup>

24 212. HaloMD solicits and represents out-of-network providers who were key  
25 drivers in surprise billing, including anesthesiology and emergency providers like the  
26 Sound Physicians Providers. Providers submit services for dispute in the IDR process  
27 through HaloMD’s portal.

28 <sup>40</sup> See <https://halomd.com/>

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 213. HaloMD operates on a commission-based reimbursement model. HaloMD  
2 thus has a financial incentive to (1) bring as many services as possible through the IDR  
3 process, regardless of the merits or the applicability of the NSA to those disputes, and  
4 (2) seek the highest possible monetary award for its provider clients in the IDR process.  
5 The Sound Physicians Providers share these same financial incentives.

## 6 **II. The Sound Physicians Providers**

7 214. HaloMD uses the Sound Physicians Providers' purported services as the  
8 basis for initiating IDR process disputes.

9 215. But HaloMD is not the only party initiating IDR for the Sound Physicians  
10 Providers. Rather, many IDRs pursued by the Sound Physicians Providers were initiated  
11 by Sound Physicians through its email address [SoundFedIDR@SoundPhysicians.com](mailto:SoundFedIDR@SoundPhysicians.com).  
12 The character of IDRs pursued by Sound Physicians (as opposed to those submitted by  
13 HaloMD) follow the same pattern of systemic initiation of faulty and ineligible disputes.

14 216. The Sound Physicians Providers are subsidiaries or affiliates of Sound  
15 Physicians, a national multi-specialty medical group headquartered in Tacoma,  
16 Washington. Sound Physicians publicly claims to employ over 4,000 clinicians and to  
17 manage approximately 6 percent of all acute hospitalizations across more than 400  
18 hospitals nationwide.<sup>41</sup>

19 217. The Sound Physicians Providers were all incorporated by persons located  
20 at 1498 Pacific Ave., Suite 400, in Tacoma, Washington 98402, which is also Sound  
21 Physicians' corporate headquarters.

22 218. The Sound Physicians Providers share resources and intermingle  
23 operations with respect to the submission of health care claims, payment for health care  
24 services, and pursuit of IDR. As noted below, Sound Physicians directly submitted open  
25 negotiations notices and initiated IDR proceedings on behalf of the Sound Physicians  
26 Providers using the email address [SoundFedIDR@SoundPhysicians.com](mailto:SoundFedIDR@SoundPhysicians.com). Even in  
27 disputes initiated by HaloMD, the email address recorded by the initiating party for IDR

28 <sup>41</sup> See <https://soundphysicians.com/about/why-sound/>.

1 involving the Sound Physicians Providers’ services is soundnsa@halo.com.

2 219. Thus, the Sound Physicians Providers themselves falsely attested to  
3 eligibility in many disputes and, through their commingled operations, clearly had  
4 knowledge of the broader ongoing illegal scheme.

5 220. In sum, the relationship between HaloMD and the Sound Physicians  
6 Providers is not passive. Together, they coordinated to pursue shared financial  
7 interests—maximizing the number of disputes submitted and inflating payment  
8 demands well beyond their billed charges or market rates. The use of HaloMD as a  
9 submission engine was not incidental or isolated; it was a deliberate component of the  
10 Sound Physicians Enterprise’s strategy to bypass the limitations of individual-provider  
11 capacity, automate the submission of disputes en masse, and conceal the ineligibility or  
12 inflation embedded in each claim.

13 **III. The Sound Physicians Enterprise Exploits the IDR Process at the Expense**  
14 **of Anthem.**

15 221. During the relevant time period, the Sound Physicians Enterprise  
16 transmitted or caused to be transmitted by wire communication or radio communication  
17 in interstate commerce, writings, signs, signals, pictures, and sounds, including false  
18 and fraudulent statements, representations, and attestations related to IDR disputes,  
19 from and between the state in which they operate—for example, California and  
20 Tennessee—to Certified Independent Dispute Resolution Entities located in various  
21 states, including, for example, Florida, Texas, Pennsylvania, Michigan, New York, and  
22 Maryland, in furtherance of the fraudulent scheme.

23 222. Specifically, since 2024, Anthem has identified nearly 400 ineligible  
24 disputes that the Sound Physicians Enterprise caused to be initiated against Anthem.  
25 These identified disputes represent an improper cost to Anthem of more than \$150,00  
26 in administrative and IDRE fees alone. Further, of the nearly 400 identified ineligible  
27 disputes, more than 250 IDR determinations were rendered against Anthem, resulting  
28 in required payments of nearly \$820,000.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 223. The participants in the Sound Physicians Enterprise made false and  
2 fraudulent statements, representations, and attestations related to the following  
3 illustrative fraudulent IDR disputes, including, but not limited to, the following:

4 **A. Sound Physicians Emergency Medicine of Southern California**  
5 **DISP-932222 (Incorrect Batching)**

6 224. The IDR proceeding captioned DISP-932222 involved emergency services  
7 that SPEMSC rendered between September 20, 2023, and October 31, 2023. Certain  
8 services disputed in this proceeding were rendered to members of health plans insured  
9 and administered by ABCLH, and other services disputed in this proceeding were  
10 rendered to members of health plans insured or administered by ABC. SPEMSC billed  
11 \$1,761.00 in charges for each service.

12 225. ABCLH and ABC each approved payment for the service and sent  
13 corresponding EOBs to Sound Physicians at the address P.O. Box 748524, Los Angeles,  
14 California, 90074.

15 226. On November 30, 2023, SPEMSC, using the email address  
16 [SoundFedIDR@SoundPhysicians.com](mailto:SoundFedIDR@SoundPhysicians.com), sent a notice of open negotiation, signed by  
17 Melissa Williams at Sound Physicians, to ABCLH and ABC at the Anthem IDR Email  
18 Address to initiate the federal IDR process. The notice of open negotiation attached a  
19 spreadsheet with dozens of claims that included the fully insured claim subject to DISP-  
20 932222. ABCLH and ABC, via the Anthem IDR Email Address, sent a response to  
21 SPEMSC offering additional payment to settle the dispute and inviting SPEMSC to  
22 submit additional information to support why it is entitled to greater reimbursement and  
23 to continue discussions. SPEMSC did not respond to this correspondence.

24 227. On November 13, 2024, SPEMSC initiated a batched IDR using the email  
25 [soundfedidr@soundphysicians.com](mailto:soundfedidr@soundphysicians.com). SPEMSC falsely attested that the services were  
26 qualified and within the scope of the federal IDR process despite the fact the dispute  
27 was ineligible for multiple reasons, including that SPEMSC inappropriately included  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
 A limited liability partnership formed in the District of Columbia

1 services rendered to members of self-funded Anthem plans and non-Anthem plans in  
 2 addition to the services rendered to a member of a fully insured Anthem plan.

3 228. ABCLH and ABC responded to the IDR initiation to assert that IDR was  
 4 not applicable to the dispute, stating in part: “Batched services include multiple  
 5 Membership types,” and providing a chart of all disputed services with the membership  
 6 type attributable to each claim (e.g., “ASO” and “Fully Insured”). SPEMSC did not  
 7 withdraw the dispute.

8 229. Nevertheless, as a result of SPEMSC’s fraudulent attestation, ABCLH and  
 9 ABC, each, paid \$1,761 for each of the eighteen (18) specific unqualified services along  
 10 with \$900 in unnecessary IDR-related fees related to the improperly batched dispute.

11 **DISP-1289721 (Ineligible Medicaid Claim)**

12 230. The IDR proceeding captioned DISP-1289721 involved emergency  
 13 services that SPEMSC rendered on February 9, 2024, to a member of a Medicaid  
 14 managed care plan administered by ABC. ABC paid the Medicaid rate of \$44.60 for the  
 15 service. No QPA applied to this claim because the NSA and IDR were inapplicable.

16 231. When ABC initially approved payment of the claim, the February 23, 2024  
 17 remittance reflected that the member’s plan was a Managed Medicaid plan, so SPEMSC  
 18 and HaloMD were aware of the claim’s ineligibility before they initiated open  
 19 negotiations and IDR.

MEDI-CAL LA													
SERVICE DATE(S)	SERVICE CODES	POS	CHARGE	ALLOWED	DEDUCTIBLE	CO-PAY	CO-INSURANCE	CONTRACTUAL DIFFERENCE	PROVIDER RESP. AMOUNT	EXPL/ANSI CODE(S)	INSURED RESPONSIBILITY AMOUNT	EXPL/ANSI CODE(S)	WHAT WE WILL PAY
INSURED'S NAME: ██████████		INSURED'S ID: ██████████		PATIENT NAME: ██████████		FOR INQUIRIES CALL: (888) 285-7801							
PATIENT ACCOUNT#: ██████████		CLAIM NUMBER: 20240508A1297		RECEIVED DATE: 02/19/2024		EXPL CD: ██████████		APPEALS CODE: CA1					
SERVICE PROVIDER NAME: MENSER, JENNIFER R		SERVICE PROVIDER ID: 1700427671		RELATIONSHIP TO INSURED: ██████████		PLAN TYPE: HMO		DRG RCVD: N/A					
NETWORK: OUT OF NETWORK													
02/09/2024	02/09/2024	99283	23	1,260.00	44.60	0.00	0.00	0.00	1,215.40	1,215.40	AKD 45	0.00	44.60
TOTAL:				1,260.00	44.60	0.00	0.00	0.00	1,215.40	1,215.40		0.00	44.60
INTEREST													
TOTAL NET PAID													

TOTAL APPROVED AMOUNT 44.60  
 TOTAL INTEREST 0.00  
 TOTAL NET AMOUNT DUE: MEDI-CAL LA 44.60

25 232. On March 13, 2024 SPEMSC sent a notice of open negotiation to ABC at  
 26 the Anthem IDR Email Address. The notice was signed by Melissa Williams, a Dispute  
 27 Resolution Specialist with the return address of 120 Brentwood Commons Way, Suite  
 28 510 in Brentwood, Tennessee. The notice was accompanied by a lengthy spreadsheet

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 with about eighty-eight (88) individual claims that SPEMSC purported to be  
2 “negotiating.”

3 233. On October 23, 2024, HaloMD, using the email address  
4 [soundnsa@halomd.com](mailto:soundnsa@halomd.com), on behalf of and in coordination with SPEMSC, initiated IDR  
5 and falsely attested to IDR eligibility.

6 234. ABC submitted an objection to eligibility, asserting that the dispute was  
7 ineligible for IDR under the NSA because it involved a “Medicare/ Medicaid claim  
8 ineligible for NSA.” This notice of ineligibility was sent to both HaloMD and SPEMSC,  
9 yet neither HaloMD nor SPEMSC withdrew the dispute.

10 235. Nevertheless, as a result of HaloMD and SPEMSC’s fraudulent  
11 attestations, ABC paid \$1,880—*which was more than SPEMSC billed for the service*  
12 *and more than 42 times the Medicaid rate*—along with \$915 in unnecessary IDR-  
13 related fees.

14 **DISP-1568233 (Ineligible State Law Claim)**

15 236. The IDR proceeding captioned DISP-1568233 involved emergency  
16 services that SPEMSC rendered on February 7, 2024, to a member of a fully insured  
17 health plan administered by ABCLH. The member’s plan is subject to state law and,  
18 therefore, California’s Surprise Billing Laws—rather than the NSA—governed the  
19 reimbursement rate for services.

20 237. On June 5, 2024, HaloMD, again acting on behalf of and in coordination  
21 with SPEMSC, sent a notice of open negotiation to ABCLH, at the Anthem IDR Email  
22 Address, to initiate the federal IDR process. HaloMD sent the open negotiation notice  
23 using the email address [soundnsa@halomd.com](mailto:soundnsa@halomd.com) with [Eden.Dimayuga@halomd.com](mailto:Eden.Dimayuga@halomd.com)  
24 copied. The open negotiation notice offered \$2,475 to resolve the dispute and was  
25 signed by Megan Rausch (HaloMD), noted to be the “Provider Representative,” at the  
26 2915 W Bitters Address.

27 238. On June 18, 2024, ABCLH, via the Anthem IDR Email Address,  
28 responded to the notice of open negotiation via email addressed to

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 [soundnsa@halomd.com](mailto:soundnsa@halomd.com) and [Eden.Dimayuga@halomd.com](mailto:Eden.Dimayuga@halomd.com), which indicated “[a]fter a  
2 careful and thorough review, it [was] determined that the claim submitted does not meet  
3 the Federal No Surprises Act Guidelines.”

4 239. On July 5, 2024, ABCLH, also responded to the notice of open negotiation  
5 in writing and addressed its response to the notice of open negotiation to SPEMSC at  
6 the address for Sound Physician’s headquarters (P.O. Box 748524), stating that the  
7 dispute did not qualify for IDR under the NSA. Neither HaloMD nor SPEMSC  
8 responded to this assertion of ineligibility.

9 240. Despite the multiple communications indicating that the claim was  
10 ineligible for the federal IDR process, on July 22, 2024, HaloMD, on behalf of and in  
11 coordination with SPEMSC, and using the email address [soundnsa@halomd.com](mailto:soundnsa@halomd.com),  
12 falsely attested to IDR eligibility. ABCLH submitted an objection to eligibility asserting  
13 that IDR was not applicable to the dispute because “a state surprise billing law applies.”  
14 This notice of ineligibility was sent to both HaloMD and SPEMSC, yet neither HaloMD  
15 nor SPEMSC withdrew the dispute.

16 241. As a result of HaloMD and SPEMSC’s fraudulent attestations, ABCLH  
17 paid \$4,316.00, which was significantly more than HaloMD and SPEMSC had offered  
18 in open negotiations and after they had been informed that the services did not qualify  
19 for IDR. Anthem also paid \$965 in unnecessary IDR-related fees.

20 **B. Sound Physicians Anesthesiology of California**

21 **DISP-2639953 (Ineligible State Law Claim)**

22 242. The IDR proceeding captioned DISP-2639953 involved anesthesia  
23 services that SPAC rendered on November 21, 2024, to a member of a fully insured  
24 health plan administered by ABC. As a fully insured plan, the member’s plan is subject  
25 to state law, and therefore, California’s Surprise Billing Laws—rather than the NSA—  
26 governed the reimbursement rate for services.

27 243. On January 8, 2025, HaloMD, on behalf of and in coordination with SPAC,  
28 sent a notice of open negotiation to ABC at the Anthem IDR Email Address. The open

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 negotiation notice was signed by Megan Rausch, noted to be the “Provider  
2 Representative,” at the 2915 W Bitters Address and with the email address  
3 [soundnsa@halomd.com](mailto:soundnsa@halomd.com). HaloMD requested \$1,006.24 to resolve the dispute.

4 244. ABC sent a response that was addressed to SPAC at P.O. Box 741658, Los  
5 Angeles, California 90074. The letter informed SPAC and HaloMD that the “[c]laim is  
6 not governed by the Federal No Surprises Act.”

7 245. On January 9, 2025 ABC sent a response to SPAC, addressed to the Sound  
8 Physicians headquarters, asserting that the “Claim is not governed by the Federal No  
9 Surprises Act.” SPAC did not respond to this assertion of ineligibility.

10 246. Even though the dispute clearly fell under state law and SPAC knew that  
11 the NSA did not apply, on February 25, 2025, HaloMD, on behalf of and in coordination  
12 with SPAC, using the email address [soundnsa@halomd.com](mailto:soundnsa@halomd.com), initiated IDR and falsely  
13 attested to IDR eligibility.

14 247. On March 19, 2024, ABC submitted an objection to eligibility, which was  
15 also addressed to SPAC, asserting: “The claim(s) is ineligible for IDR under the NSA  
16 because a state surprise billing law applies.” Again, neither HaloMD nor SPAC  
17 withdrew the dispute following this explicit notice of ineligibility.

18 248. As a result of HaloMD and SPAC’s fraudulent attestations, ABC paid  
19 \$1,636.40 for the ineligible service, which was greater than the \$1,016.40 amount  
20 SPAC had billed for the same service and greater than HaloMD’s \$1,006.24 offer to  
21 resolve the claim in open negotiations. ABC also paid \$503 in unnecessary IDR-related  
22 fees.

23 **CLAIMS FOR RELIEF**

24 **COUNT I**

25 **VIOLATION OF RICO, 18 U.S.C. § 1962(d)**

26 **(Against the LaRoque Family Enterprise)**

27 249. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
28 in this Complaint as if fully set forth at length herein.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1           250. The LaRoque Family Enterprise formed an association-in-fact enterprise,  
2 as that term is defined in 18 U.S.C. § 1961(4), for the purposes of stealing and  
3 defrauding funds from Anthem through the fraudulent submission of ineligible and  
4 inflated disputes under the federal IDR process. At all relevant times, the members of  
5 the LaRoque Family Enterprise have been “persons” under 18 U.S.C. § 1961(3) because  
6 they are capable of holding, and do hold, “a legal or beneficial interest in property.”

7           251. The members of the LaRoque Family Enterprise have knowingly agreed,  
8 combined and conspired to conduct and/or participate, directly or indirectly, in the  
9 conduct of the LaRoque Family Enterprise’s affairs through a pattern of racketeering  
10 activity consisting of repeated violations of the wire fraud statute, 18 U.S.C. § 1343,  
11 based upon the use of interstate wire facilities to execute the profit-making fraudulent  
12 billing schemes described herein. The fraudulent disputes submitted to the IDR Portal  
13 for payment by Anthem that comprise the pattern of racketeering activity identified  
14 through the date of this Complaint are described in the Section titled “The LaRoque  
15 Family Enterprise,” *supra*.

16           252. The members of the LaRoque Family Enterprise knew of, agreed to, and  
17 acted in furtherance of the common overall objective (*i.e.*, to defraud Anthem and its  
18 affiliated health plans of money) by submitting or facilitating the submission of  
19 fraudulent ineligible and inflated disputes to Anthem through the IDR process.

20           253. The LaRoque Family Enterprise’s fraudulent conduct and participation in  
21 the racketeering activity described herein has directly and proximately caused Anthem  
22 and its affiliated health plans to incur millions of dollars in damages.

23           254. By reason of its injury, Anthem is entitled to compensatory, punitive, and  
24 treble damages, pre- and post-judgment interest, attorney’s fees, costs incurred in  
25 bringing this action, and any other relief the Court deems just and proper.

26  
27  
28

**COUNT II**

**VIOLATION OF RICO, 18 U.S.C. § 1962(d)**

**(Against the Sound Physicians Enterprise)**

1  
2  
3  
4 255. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
5 in this Complaint as if fully set forth at length herein.

6 256. The Sound Physicians Enterprise formed an association-in-fact enterprise,  
7 as that term is defined in 18 U.S.C. § 1961(4), for the purposes of stealing and  
8 defrauding funds from Anthem through the fraudulent submission of ineligible and  
9 inflated disputes under the federal IDR process. At all relevant times, the members of  
10 the Sound Physicians Enterprise have been “persons” under 18 U.S.C. § 1961(3)  
11 because they are capable of holding, and do hold, “a legal or beneficial interest in  
12 property.”

13 257. The members of the Sound Physicians Enterprise have knowingly agreed,  
14 combined and conspired to conduct and/or participate, directly or indirectly, in the  
15 conduct of the Sound Physicians Enterprise’s affairs through a pattern of racketeering  
16 activity consisting of repeated violations of the wire fraud statute, 18 U.S.C. § 1343,  
17 based upon the use of interstate wire facilities to execute the profit-making fraudulent  
18 billing schemes described herein. The fraudulent disputes submitted to the IDR Portal  
19 for payment by Anthem that comprise the pattern of racketeering activity identified  
20 through the date of this Complaint are described in the Section titled “The Sound  
21 Physicians Enterprise,” *supra*.

22 258. The Sound Physicians Enterprise Defendants knew of, agreed to, and acted  
23 in furtherance of the common overall objective (*i.e.*, to defraud Anthem and its affiliated  
24 health plans of money) by submitting or facilitating the submission of fraudulent  
25 ineligible and inflated disputes to Anthem through the IDR process.

26 259. The Sound Physicians Enterprise’s fraudulent conduct and participation in  
27 the racketeering activity described herein has directly and proximately caused Anthem  
28 and its affiliated health plans to incur hundreds of thousands of dollars in damages.

1 260. By reason of its injury, Anthem is entitled to compensatory, punitive, and  
2 treble damages, pre- and post-judgment interest, attorney’s fees, costs incurred in  
3 bringing this action, and any other relief the Court deems just and proper.

4 **COUNT III**

5 **VIOLATION OF RICO, 18 U.S.C. § 1962(c)**

6 **(Against the LaRoque Family Enterprise)**

7 261. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
8 in this Complaint as if fully set forth at length herein.

9 262. The LaRoque Family Enterprise formed an association-in-fact enterprise,  
10 as that term is defined in 18 U.S.C. § 1961(4), for the purposes of stealing and  
11 defrauding funds from Anthem through the fraudulent submission of ineligible and  
12 inflated disputes under the federal IDR process. At all relevant times, the members of  
13 the LaRoque Family Enterprise have been “persons” under 18 U.S.C. § 1961(3) because  
14 they are capable of holding, and do hold, “a legal or beneficial interest in property.”

15 263. Since at least January 2024, the LaRoque Family Enterprise has sought to  
16 increase their profits by: (1) knowingly submitting false and fraudulent attestations of  
17 eligibility for services and disputes that they know are ineligible for the IDR process;  
18 (2) strategically initiating massive volumes of IDR disputes simultaneously against  
19 Anthem; and (3) improperly inflating payment offers that far exceed what the LaRoque  
20 Family Provider Defendants could have received from patients or health plans in a  
21 competitive market and, in many cases, exceed the LaRoque Family Provider  
22 Defendants’ billed charges.

23 264. At all relevant times, the members of the LaRoque Family Enterprise:  
24 (a) functioned as a continuing unit with an ascertainable structure separate and distinct  
25 from the pattern of racketeering activity; (b) shared a common purpose of enriching  
26 themselves at the expense of Anthem by fraudulently inducing and compelling Anthem  
27 to pay exorbitant amounts for services that were not eligible for the IDR process and  
28 causing Anthem to pay inflated amounts for eligible services far exceeding their billed

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 charges; (c) had systematic linkage to each other through interpersonal and contractual  
2 relationships, financial ties, shared correspondence, and continuing coordination of  
3 activities; and (d) had sufficient longevity for the enterprise to pursue its purpose. Each  
4 member of the LaRoque Family Enterprise participated in the operation and  
5 management of the enterprise, including a pattern of racketeering activity referred to  
6 herein as the NSA Scheme, and shared in the profits illicitly obtained due to the  
7 enterprise's fraudulent activity.

8 265. The LaRoque Family Enterprise is distinct from and has an existence  
9 beyond the pattern of racketeering that is described herein, namely by recruiting,  
10 employing, overseeing and coordinating individuals who have been responsible for  
11 facilitating and performing a variety of administrative and ostensibly professional  
12 functions beyond the acts of wire fraud (*i.e.*, the submission of the ineligible and inflated  
13 disputes to Anthem and through the IDR process), by creating and maintaining records,  
14 by negotiating and executing various agreements, and by maintaining the bookkeeping  
15 and accounting functions necessary to manage the receipt and distribution of the  
16 payments on IDR determinations.

17 266. The LaRoque Family Enterprise Defendants committed, conspired to  
18 commit, and/or aided and abetted in the commission of at least two predicate acts of  
19 racketeering activity (*i.e.*, wire fraud in violation of 18 U.S.C. § 1343) within the past  
20 ten years. The multiple acts of racketeering activity that these Defendants committed,  
21 or aided and abetted in the commission of, were related to each other and posed a threat  
22 of continued racketeering activity and therefore constitute a "pattern of racketeering  
23 activity." The predicate acts also had the same or similar results, participants, victims,  
24 and methods. The predicate acts were related and not isolated events.

25 267. The LaRoque Family Enterprise Defendants committed predicate acts of  
26 wire fraud by transmitting and/or receiving, or by causing to be transmitted and/or  
27 received, materials by interstate wires for the purpose of executing the unlawful scheme  
28 to defraud funds from Anthem by means of false pretenses, misrepresentations,

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 promises, and omissions. Specifically, the disputes these Defendants submitted through  
2 the federal IDR process contained misrepresentations that the disputes were eligible for  
3 that process and often contained inflated amounts above even the LaRoque Family  
4 Provider’s billed charges. The predicate acts all had the purpose of substantially  
5 harming Anthem’s business and property, while simultaneously generating substantial  
6 revenues for the members of the LaRoque Family Enterprise. The predicate acts were  
7 committed or caused to be committed by the LaRoque Family Enterprise members  
8 through their participation in the LaRoque Family Enterprise, as applicable, and in  
9 furtherance of their fraudulent schemes.

10 268. The LaRoque Family Enterprise members’ predicate acts of  
11 racketeering—which began no later than January 2024 and have occurred continuously  
12 and systematically through the present day—committed by interstate wires, include:  
13 (a) submitting disputes through the online IDR portal that were ineligible for the IDR  
14 process; (b) demanding outrageous payments in excess of their charges, much less a  
15 commercially reasonable amount; (c) initiating scores of disputes at the same time and  
16 in such a way as to make it difficult for Anthem to reasonably identify and object to all  
17 ineligible disputes; (d) engaging in the IDR process in bad faith; and (e) procuring  
18 payments on disputes that were ineligible for IDR and/or or grossly inflated. The  
19 fraudulent disputes submitted to Anthem that comprise, in part, the pattern of  
20 racketeering activity identified through the date of this Complaint are described in the  
21 Sections titled “The LaRoque Family Enterprise,” *supra*.

22 269. The members of the LaRoque Family Enterprises have profited, and  
23 continue to profit, substantially from the fraudulent billing scheme, ultimately receiving  
24 nearly \$1.9 million in illicitly obtained reimbursements. These payments, disbursed  
25 through interstate wire facilities, each constitute a separate violation of 18 U.S.C. §  
26 1343.

27 270. The LaRoque Family Enterprise’s fraudulent conduct and participation in  
28 the racketeering activity described herein has directly and proximately caused Anthem

1 and its affiliated health plans to incur millions of dollars in damages.

2 271. By reason of its injury, Anthem is entitled to compensatory, punitive, and  
3 treble damages, pre- and post-judgment interest, attorney’s fees, costs incurred in  
4 bringing this action, and any other relief the Court deems just and proper.

5 **COUNT IV**

6 **VIOLATION OF RICO, 18 U.S.C. § 1962(c)**

7 **(Against the Sound Physicians Enterprise)**

8 272. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
9 contained in this Complaint as if fully set forth at length herein.

10 273. The Sound Physicians Enterprise formed an association-in-fact enterprise,  
11 as that term is defined in 18 U.S.C. § 1961(4), for the purposes of stealing and  
12 defrauding funds from Anthem through the fraudulent submission of ineligible and  
13 inflated disputes under the federal IDR process. At all relevant times, the members of  
14 the Sound Physicians Enterprise have been “persons” under 18 U.S.C. § 1961(3)  
15 because they are capable of holding, and do hold, “a legal or beneficial interest in  
16 property.”

17 274. Since at least January 2024, the Sound Physicians Enterprise has sought to  
18 increase their profits by: (1) knowingly submitting false and fraudulent attestations of  
19 eligibility for services and disputes that they know are ineligible for the IDR process;  
20 (2) strategically initiating massive volumes of IDR disputes simultaneously against  
21 Anthem; and (3) improperly inflating payment offers that far exceed what the Sound  
22 Physicians Provider Defendants could have received from patients or health plans in a  
23 competitive market and, in many cases, are twice or more the Sound Physicians  
24 Provider Defendants’ billed charges.

25 275. At all relevant times, the members of the Sound Physicians Enterprise:  
26 (a) functioned as a continuing unit with an ascertainable structure separate and distinct  
27 from the pattern of racketeering activity; (b) shared a common purpose of enriching  
28 themselves at the expense of Anthem by fraudulently inducing and compelling Anthem

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 to pay exorbitant amounts for services that were not eligible for the IDR process and  
2 causing Anthem to pay inflated amounts for eligible services far exceeding their billed  
3 charges; (c) had systematic linkage to each other through interpersonal and contractual  
4 relationships, financial ties, shared correspondence, and continuing coordination of  
5 activities; and (d) had sufficient longevity for the enterprise to pursue its purpose. Each  
6 member of the Sound Physicians Enterprise participated in the operation and  
7 management of the enterprise, including a pattern of racketeering activity referred to  
8 herein as the NSA Scheme, and shared in the profits illicitly obtained due to the  
9 enterprise’s fraudulent activity.

10 276. The Sound Physicians Enterprise is distinct from and has an existence  
11 beyond the pattern of racketeering that is described herein, namely by recruiting,  
12 employing, overseeing and coordinating individuals who have been responsible for  
13 facilitating and performing a variety of administrative and ostensibly professional  
14 functions beyond the acts of wire fraud (*i.e.*, the submission of the ineligible and inflated  
15 disputes to Anthem and through the IDR process), by creating and maintaining records,  
16 by negotiating and executing various agreements, and by maintaining the bookkeeping  
17 and accounting functions necessary to manage the receipt and distribution of the  
18 payments on IDR determinations.

19 277. The Sound Physicians Enterprise Defendants committed, conspired to  
20 commit, and/or aided and abetted in the commission of at least two predicate acts of  
21 racketeering activity (*i.e.*, wire fraud in violation of 18 U.S.C. § 1343) within the past  
22 ten years. The multiple acts of racketeering activity that these Defendants committed,  
23 or aided and abetted in the commission of, were related to each other and posed a threat  
24 of continued racketeering activity and therefore constitute a “pattern of racketeering  
25 activity.” The predicate acts also had the same or similar results, participants, victims,  
26 and methods. The predicate acts were related and not isolated events.

27 278. The Sound Physicians Enterprise Defendants committed predicate acts of  
28 wire fraud by transmitting and/or receiving, or by causing to be transmitted and/or

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 received, materials by interstate wires for the purpose of executing the unlawful scheme  
2 to defraud funds from Anthem by means of false pretenses, misrepresentations,  
3 promises, and omissions. Specifically, the disputes these Defendants submitted through  
4 the federal IDR process contained misrepresentations that the disputes were eligible for  
5 that process and often contained inflated amounts above even the Sound Physicians  
6 Provider’s billed charges. The predicate acts all had the purpose of substantially  
7 harming Anthem’s business and property, while simultaneously generating substantial  
8 revenues for the members of the Sound Physicians Enterprise. The predicate acts were  
9 committed or caused to be committed by the Sound Physicians Enterprise members  
10 through their participation in the Sound Physicians Enterprise, as applicable, and in  
11 furtherance of their fraudulent schemes.

12 279. The Sound Physicians Enterprise members’ predicate acts of  
13 racketeering—which began no later than January 2024 and have occurred continuously  
14 and systematically through the present day—committed by interstate wires, include:  
15 (a) submitting disputes through the online IDR portal that were ineligible for the IDR  
16 process; (b) demanding outrageous payments far in excess of their charges, much less  
17 a commercially reasonable amount; (c) initiating scores of disputes at the same time and  
18 in such a way as to make it difficult for Anthem to reasonably identify and object to all  
19 ineligible disputes; (d) engaging in the IDR process in bad faith; and (e) procuring  
20 payments on disputes that were ineligible for IDR and/or or grossly inflated. The  
21 fraudulent disputes submitted to Anthem that comprise, in part, the pattern of  
22 racketeering activity identified through the date of this Complaint are described in the  
23 Sections titled “The Sound Physicians Enterprise,” *supra*.

24 280. The members of the Sound Physicians Enterprises have profited, and  
25 continue to profit, substantially from the fraudulent billing scheme, ultimately receiving  
26 hundreds of thousands of dollars in illicitly obtained reimbursements. These payments,  
27 disbursed through interstate wire facilities, each constitute a separate violation of 18  
28 U.S.C. § 1343.

1 281. The Sound Physicians Enterprise’s fraudulent conduct and participation in  
2 the racketeering activity described herein has directly and proximately caused Anthem  
3 and its affiliated health plans to incur hundreds of thousands of dollars in damages.

4 282. By reason of its injury, Anthem is entitled to compensatory, punitive, and  
5 treble damages, pre- and post-judgment interest, attorney’s fees, costs incurred in  
6 bringing this action, and any other relief the Court deems just and proper.

7 **COUNT V**

8 **FRAUDULENT MISREPRESENTATION**

9 **(Against All Members of the LaRoque Family Enterprise)**

10 283. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
11 contained in this Complaint as if fully set forth at length herein.

12 284. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
13 LaRoque Family Providers, knowingly and willfully executed the schemes described  
14 herein with the intent to defraud Anthem by (1) submitting knowingly false attestations  
15 of IDR eligibility to Anthem, the IDREs, and the Departments and (2) falsely  
16 representing to Anthem, the IDREs, and the Departments that the disputes were eligible  
17 for IDR prior to initiating the IDR process, all done with the intent to obtain money  
18 owned or controlled by Anthem and its affiliated health plans under the false pretense  
19 that the disputes were eligible for resolution through the IDR process.

20 285. For each of the IDRs initiated, HaloMD, on behalf of and in coordination  
21 with MPOWERHealth and the LaRoque Family Providers, submitted a completed  
22 version of the mandatory IDR notice of initiation to Anthem, the IDREs, and the  
23 Departments, which, in part, contained the following attestation:

24 I, the undersigned initiating party (or representative of the  
25 initiating party), attests that to the best of my knowledge...the  
26 item(s) and/or service(s) at issue are qualified item(s) and/or  
service(s) within the scope of the Federal IDR process.

27 286. Yet as discussed herein, hundreds of the attestations submitted by the  
28 HaloMD, on behalf of and coordination with MPOWERHealth and the LaRoque Family

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Providers, were clearly false, as the underlying services were not qualified items or  
2 services, and in fact, the disputes were ineligible for resolution through the NSA’s IDR  
3 process.

4 287. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
5 LaRoque Family Providers, submitted the IDR notice of initiation in each such dispute  
6 with full knowledge of the falsity of this attestation. From the patient’s insurance cards,  
7 Anthem’s EOPs, the plain text of federal laws and regulations, CMS publications and  
8 resources, HaloMD’s preparation of IDR initiation forms and notices, their participation  
9 in the IDR process, and the specific objections to eligibility that Anthem submitted to  
10 the LaRoque Family Providers and to HaloMD, among other sources, the  
11 MPOWERHealth Defendants, the LaRoque Family Providers, and HaloMD knew that  
12 the services and disputes HaloMD was initiating were ineligible for the IDR process.

13 288. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
14 LaRoque Family Providers, nevertheless submitted these false attestations and did so  
15 with the intent that Anthem, the IDREs, and the Departments rely on them. Anthem  
16 was, in fact, compelled to rely on the false attestations because it was forced to proceed  
17 to a payment determination, despite the dispute’s ineligibility.

18 289. According to federal law, “the certified IDR entity selected must review  
19 the information submitted in the notice of IDR initiation”—including HaloMD’s false  
20 attestations of eligibility submitted on behalf of and in coordination with the LaRoque  
21 Family Providers—“to determine whether the Federal IDR process applies.” 45 C.F.R.  
22 § 149.510(c)(1)(v). Even if Anthem contested eligibility, the MPOWERHealth  
23 Defendants, the LaRoque Family Providers, and HaloMD knew and expected their  
24 deliberate misrepresentations would force Anthem to reasonably and foreseeably rely  
25 on the misrepresentations and proceed to a payment determination, despite the  
26 ineligibility of the dispute.

27 290. As described above, these misrepresentations were submitted by corporate  
28 agents using corporate email addresses—namely, [nsa@halomd.com](mailto:nsa@halomd.com)—which, upon

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 information and belief, was an attempt to conceal the identity of the individuals  
2 submitting the false attestations. As parties to IDR have no ability to engage in  
3 discovery—in fact, the parties submit final offers and supporting evidence in a blind  
4 process without the right or ability to see the other party’s submission—the submission  
5 of false attestations achieved the concealment of the corporate actors filing the false  
6 attestations, save for DISP-2193991 where, on December 2, 2024, HaloMD’s employee  
7 “CJC” initiated IDR through the IDR portal using a false attestation of eligibility on  
8 behalf of and in coordination with N Express despite being on notice that the dispute  
9 was subject to California’s State Surprise Billing Laws.

10 291. From January 4, 2024, to August 2025, HaloMD on behalf of and in  
11 coordination with the MPOWERHealth Defendants and the LaRoque Family Providers,  
12 submitted hundreds of false attestations, including, for example, the disputes  
13 specifically referenced above.

14 292. These false attestations of eligibility pertain to material facts in the IDR  
15 process because they bypass the safeguards that the Departments created to prevent  
16 ineligible disputes and go to the heart of the IDRE’s jurisdiction to even hear the  
17 dispute.

18 293. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
19 LaRoque Family Providers, submitted the false attestations to receive a windfall for  
20 themselves, namely, IDR payment determinations in favor of the LaRoque Family  
21 Providers and against Anthem regarding items or services that were ineligible for  
22 resolution through the IDR process.

23 294. At all times when submitting the false attestations and engaging in the  
24 relevant IDR disputes, HaloMD was acting within the scope of HaloMD’s agreements  
25 with the LaRoque Family Providers and/or MPOWERHealth to handle the IDR process  
26 for the LaRoque Family Providers in connection with the identified disputes.

27 295. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
28 LaRoque Family Providers, also fraudulently misrepresented to Anthem during the

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 statutorily required open negotiations process that the disputes were eligible for IDR  
2 and involved qualified IDR items and services meeting the NSA and regulatory  
3 definitions of that term.

4 296. Anthem reasonably, foreseeably, and justifiably relied on HaloMD's  
5 misrepresentations during the open negotiations and IDR initiation process. As part of  
6 the fraudulent scheme described herein, Defendants' tactic to strategically flood the  
7 IDR process and overwhelm the system precluded Anthem from investigating each and  
8 every aspect of the hundreds of disputes they submitted within the 30-day open  
9 negotiations window or within three days of IDR initiation, intending that Anthem  
10 would rely on these false representations of eligibility. Additionally, in some cases  
11 (such as when the patient waived balance billing protections), Defendants are the only  
12 entities in possession of information critical to Anthem's ability to assess a claim for  
13 IDR eligibility, such as information pertaining to the provider, types of services  
14 rendered, and patient records. Thus, MPOWERHealth, the LaRoque Family Providers,  
15 and HaloMD knew Anthem was often incapable of knowing the falsity of HaloMD's  
16 misrepresentations. As a result, Anthem justifiably relied on these misrepresentations  
17 that the disputes were eligible for IDR and incurred significant monetary losses,  
18 including through incurring fees required by the NSA and in the form of IDR payment  
19 determinations finding against Anthem.

20 297. As a direct and proximate result of these misrepresentations by HaloMD  
21 on behalf of and in coordination with MPOWERHealth and the LaRoque Family  
22 Providers, Anthem and its affiliated plans have suffered substantial damages, including  
23 in the form of payment on IDR payment determinations that were ineligible for  
24 resolution through the NSA's IDR process, along with payment of required  
25 administrative and IDRE fees in connection with the ineligible disputes.

26 298. Each member of the LaRoque Family Enterprise formed and operated in a  
27 conspiracy to defraud Anthem through these schemes, and each committed acts in  
28 furtherance thereof, resulting in the above-stated damages to Anthem.

**COUNT VI**

**FRAUDULENT MISREPRESENTATION**

**(Against All Members of the Sound Physicians Enterprise)**

299. Anthem repeats and realleges the allegations in Paragraphs 1 through 248 contained in this Complaint as if fully set forth at length herein.

300. The Sound Physicians Providers, or HaloMD on behalf of and in coordination with the Sound Physicians Providers, knowingly and willfully executed the schemes described herein with the intent to defraud Anthem by (1) submitting knowingly false attestations of IDR eligibility to Anthem, the IDREs, and the Departments and (2) falsely representing to Anthem, the IDREs, and the Departments that the disputes were eligible for IDR prior to initiating the IDR process, all done with the intent to obtain money owned or controlled by Anthem and its affiliated health plans under the false pretense that the disputes were eligible for resolution through the IDR process.

301. For each of the IDRs initiated, the Sound Physicians, or HaloMD on behalf of and in coordination with the Sound Physicians Providers, submitted a completed version of the mandatory IDR notice of initiation to Anthem, the IDREs, and the Departments, which, in part, contained the following attestation:

I, the undersigned initiating party (or representative of the initiating party), attests that to the best of my knowledge...the item(s) and/or service(s) at issue are qualified item(s) and/or service(s) within the scope of the Federal IDR process.

302. Yet as discussed herein, hundreds of the attestations submitted by the Sound Physicians Providers, or HaloMD on their behalf, were clearly false, as the underlying services were not qualified items or services, and in fact, the disputes were ineligible for resolution through the NSA's IDR process.

303. The Sound Physicians Providers, or HaloMD on behalf of and in coordination with the Sound Physicians Providers, submitted the IDR notice of

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 initiation in each such dispute with full knowledge of the falsity of this attestation. From  
2 the patient’s insurance cards, Anthem’s EOPs, the plain text of federal laws and  
3 regulations, Anthem’s EOPs, CMS publications and resources, the Sound Physicians  
4 Providers’ and/or HaloMD’s preparation of IDR initiation forms and notices, their  
5 participation in the IDR process, and the specific objections to eligibility that Anthem  
6 submitted to the Sound Physicians Providers and to HaloMD, among other sources, the  
7 Sound Physicians Providers and HaloMD knew that the services and disputes they were  
8 initiating were ineligible for the IDR process.

9 304. The Sound Physicians Providers, or HaloMD on behalf of and in  
10 coordination with the Sound Physicians Providers, nevertheless submitted these false  
11 attestations and did so with the intent that Anthem, the IDREs, and the Departments  
12 rely on them. Anthem was, in fact, compelled to rely on the false attestations because it  
13 was forced to proceed to a payment determination, despite the dispute’s ineligibility.

14 305. According to federal law, “the certified IDR entity selected must review  
15 the information submitted in the notice of IDR initiation”—including the Sound  
16 Physicians Providers’ and HaloMD’s false attestations of eligibility—“to determine  
17 whether the Federal IDR process applies.” 45 C.F.R. § 149.510(c)(1)(v). Even if  
18 Anthem contested eligibility, the Sound Physicians Providers and HaloMD knew and  
19 expected their deliberate misrepresentations would force Anthem to reasonably and  
20 foreseeably rely on the misrepresentations and proceed to a payment determination,  
21 despite the ineligibility of the dispute.

22 306. As described above, these misrepresentations were submitted by corporate  
23 agents using corporate email addresses—including [nsa@halomd.com](mailto:nsa@halomd.com),  
24 [soundnsa@halomd.com](mailto:soundnsa@halomd.com), and [soundfedidr@soundphysicians.com](mailto:soundfedidr@soundphysicians.com)—which, upon  
25 information and belief, was an attempt to conceal the identity of the individuals  
26 submitting the false attestations. As parties to IDR have no ability to engage in  
27 discovery—in fact, the parties submit final offers and supporting evidence in a blind  
28 process without the right or ability to see the other party’s submission—the submission

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 of false attestations achieved the concealment of the corporate actors filing the false  
2 attestations.

3 307. From January 4, 2024, to August 2025, the Sound Physicians Providers,  
4 and HaloMD on behalf of and in coordination with the Sound Physicians Providers,  
5 submitted hundreds of false attestations, including, for example, the disputes  
6 specifically referenced above.

7 308. These false attestations of eligibility pertain to material facts in the IDR  
8 process because they bypass the safeguards that the Departments created to prevent  
9 ineligible disputes and go to the heart of the IDRE's jurisdiction to even hear the  
10 dispute.

11 309. The Sound Physicians Providers, or HaloMD on behalf of and in  
12 coordination with the Sound Physicians Providers, submitted the false attestations to  
13 receive a windfall for themselves, namely, IDR payment determinations in favor of the  
14 Sound Physicians Providers and against Anthem regarding items or services that were  
15 ineligible for resolution through the IDR process.

16 310. At all times when submitting the false attestations and engaging in the  
17 relevant IDR disputes, HaloMD was acting within the scope of HaloMD's agreements  
18 with the Sound Physicians Providers to handle the IDR process for the Sound Physicians  
19 Providers in connection with the identified disputes.

20 311. The Sound Physicians Providers, or HaloMD on behalf of and in  
21 coordination with the Sound Physicians Providers, also fraudulently misrepresented to  
22 Anthem during the statutorily required open negotiations process that the disputes were  
23 eligible for IDR and involved qualified IDR items and services meeting the NSA and  
24 regulatory definitions of that term.

25 312. Anthem reasonably, foreseeably, and justifiably relied on the Sound  
26 Physicians Providers' and HaloMD's misrepresentations during the open negotiations  
27 and IDR initiation process. As part of the fraudulent scheme described herein,  
28 Defendants' tactic to strategically flood the IDR process and overwhelm the system

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 precluded Anthem from investigating each and every aspect of the hundreds of disputes  
2 they submitted within the 30-day open negotiations window or within three days of IDR  
3 initiation, intending that Anthem would rely on these false representations of eligibility.  
4 Additionally, in some cases (such as when the patient waived balance billing  
5 protections), Defendants are the only entities in possession of information critical to  
6 Anthem’s ability to assess a claim for IDR eligibility, such as information pertaining to  
7 the provider, types of services rendered, and patient records. Thus, Sound Physicians  
8 Providers and HaloMD knew Anthem was often incapable of knowing the falsity of the  
9 Sound Physicians Providers’ and HaloMD’s misrepresentations. As a result, Anthem  
10 justifiably relied on these misrepresentations that the disputes were eligible for IDR and  
11 incurred significant monetary losses through incurring fees required by the NSA and in  
12 the form of IDR payment determinations finding against Anthem.

13 313. As a direct and proximate result of these misrepresentations by the Sound  
14 Physicians Providers and HaloMD on behalf of the Sound Physicians Providers,  
15 Anthem and its affiliated plans have suffered substantial damages, including in the form  
16 of payment on IDR payment determinations that were ineligible for resolution through  
17 the NSA’s IDR process, along with payment of required administrative and IDRE fees  
18 in connection with the ineligible disputes.

19 314. Each member of the Sound Physicians Enterprise formed and operated in  
20 a conspiracy to defraud Anthem through these schemes, and each committed acts in  
21 furtherance thereof, resulting in the above-stated damages to Anthem.

## 22 **COUNT VII**

### 23 **NEGLIGENT MISREPRESENTATION**

#### 24 **(Against All Members of the LaRoque Family Enterprise)**

25 315. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
26 contained in this Complaint as if fully set forth at length herein.

27 316. In submitting the false attestations of eligibility, HaloMD on behalf of and  
28 in coordination with the MPOWERHealth Defendants and the LaRoque Family

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Providers, misrepresented material facts to Anthem, the IDREs, and the Departments  
2 regarding eligibility of the disputes to proceed to the IDR payment determination stage.  
3 From the patient’s insurance cards, Anthem’s EOPs, the plain text of federal laws and  
4 regulations, CMS publications and resources, HaloMD’s preparation of IDR initiation  
5 forms and notices, their participation in the IDR process, and the specific objections to  
6 eligibility that Anthem submitted to the LaRoque Family Providers and to HaloMD,  
7 among other sources, MPOWERHealth, the LaRoque Family Providers, and HaloMD  
8 had no reasonable grounds on which to believe and represent that the services and  
9 disputes they were initiating were ineligible for the IDR process.

10 317. As described above, these misrepresentations were submitted by corporate  
11 agents using corporate email addresses—namely, [nsa@halomd.com](mailto:nsa@halomd.com)—which, upon  
12 information and belief, was an attempt to conceal the identity of the individuals  
13 submitting the false attestations. As parties to IDR have no ability to engage in  
14 discovery—in fact, the parties submit final offers and supporting evidence in a blind  
15 process without the right or ability to see the other party’s submission—the submission  
16 of false attestations achieved the concealment of the corporate actors filing the false  
17 attestations, save for DISP-2193991 where, on December 2, 2024, HaloMD  
18 Defendant’s employee “CJC” initiated IDR through the IDR portal using a false  
19 attestation of eligibility on behalf of and in coordination with N Express despite being  
20 on notice that the dispute was subject to California’s state specified law.

21 318. MPOWERHealth, the LaRoque Family Providers, and HaloMD owed a  
22 duty of reasonable care to Anthem, under which they were required to conduct  
23 reasonable investigations, ensure the eligibility of the services for which they were  
24 initiating the IDR process, and guard against the submission of false attestations of  
25 eligibility leading IDREs to erroneously issue payment determinations in favor of the  
26 LaRoque Family Providers for items or services that were not eligible for the IDR  
27 process. MPOWERHealth, the LaRoque Family Providers, and HaloMD owed Anthem  
28 a duty of care to submit accurate information to Anthem, the IDREs, and the

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 Departments when they sought payment or additional payment on the medical claims  
2 underlying the IDR disputes. Specifically, in making the false representations to  
3 Anthem, the IDREs, and the Departments, HaloMD, on behalf of and in coordination  
4 with MPOWERHealth and the LaRoque Family Providers, were acting in the course of  
5 their business or profession and had a pecuniary interest in the underlying medical  
6 claims at issue. Moreover, they possessed superior knowledge of the facts underlying  
7 the services they (or their clients and co-conspirators in the case of HaloMD) provided.

8 319. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
9 LaRoque Family Providers submitted these false attestations and did so with the intent  
10 that Anthem, the IDREs, and the Departments rely on them. Anthem was, in fact,  
11 compelled to rely on the false attestations because it was forced to proceed to a payment  
12 determination, despite the disputes' ineligibility.

13 320. Even if Anthem contested eligibility, the MPOWERHealth Defendants,  
14 the LaRoque Family Providers, and HaloMD knew and expected their deliberate  
15 misrepresentations would force Anthem to reasonably and foreseeably rely on the  
16 misrepresentations and proceed to a payment determination, despite the ineligibility of  
17 the dispute.

18 321. At all times when submitting the false attestations and engaging in the  
19 relevant IDR disputes, HaloMD was acting within the scope of HaloMD's agreements  
20 with MPOWERHealth and/or the LaRoque Family Providers to handle the IDR process  
21 for the LaRoque Family Providers in connection with the identified disputes.

22 322. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
23 LaRoque Family Providers, also falsely represented to Anthem during the statutorily  
24 required open negotiations process that the disputes were eligible for IDR and involved  
25 qualified IDR items and services meeting the NSA and regulatory definitions of that  
26 term when, in fact, they did not.

27 323. Anthem reasonably, foreseeably, and justifiably relied on the LaRoque  
28 Family Providers' and HaloMD's misrepresentations during the open negotiations and

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 IDR initiation process. As part of the fraudulent schemes described herein, Defendants'  
2 tactic was to flood the IDR process and overwhelm the system such that Anthem would  
3 be unable to investigate each and every aspect of the hundreds of disputes often  
4 submitted on the same day within the 30-day open negotiations window or within days  
5 after IDR initiation. Additionally, MPOWERHealth, HaloMD, and the LaRoque Family  
6 Providers are in some circumstances the only entities in possession of information  
7 critical to Anthem's ability to assess a claim for IDR eligibility, such as information  
8 pertaining to the provider, types of services rendered, and patient records. Thus,  
9 MPOWERHealth, HaloMD, and the LaRoque Family Providers knew Anthem was  
10 often incapable of knowing the falsity of these misrepresentations. As a result, Anthem  
11 justifiably relied on the misrepresentations by HaloMD on behalf of MPOWERHealth  
12 and/or the LaRoque Family Providers, that the disputes were eligible for IDR and  
13 incurred significant monetary losses through incurring administrative and IDRE fees  
14 required by the NSA and in the form of IDR payment determinations finding against  
15 Anthem.

16 324. MPOWERHealth, HaloMD, and the LaRoque Family Providers owed  
17 Anthem a duty of reasonable care to provide accurate information as to the claims and  
18 services they were seeking to negotiate in good faith, as they were acting in the course  
19 of their business or profession and had a pecuniary interest in the underlying medical  
20 claims at issue. Moreover, MPOWERHealth, HaloMD, and the LaRoque Family  
21 Providers possessed superior knowledge of the facts underlying the services they (or  
22 their clients and co-conspirators in the case of HaloMD) provided.

23 325. As a direct and proximate result of these misrepresentations by HaloMD,  
24 on behalf of and in coordination with MPOWERHealth and the LaRoque Family  
25 Providers, Anthem and its affiliated health plans have suffered substantial damages,  
26 including in the form of payment on IDR payment determinations that were ineligible  
27 for resolution through the NSA's IDR process, along with payment of required  
28 administrative and IDRE fees.

1 326. Each member of the LaRoque Family Enterprise formed and operated in a  
2 conspiracy to defraud Anthem through these schemes, and each committed acts in  
3 furtherance thereof, resulting in the above-stated damages to Anthem.

4 **COUNT VIII**

5 **NEGLIGENT MISREPRESENTATION**

6 **(Against All Members of the Sound Physicians Enterprise)**

7 327. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
8 contained in the Complaint as if fully set forth at length herein.

9 328. In submitting the false attestations of eligibility, the Sound Physicians  
10 Providers, or HaloMD on behalf of and in coordination with the Sound Physicians  
11 Providers, misrepresented material facts to Anthem, the IDREs, and the Departments  
12 regarding eligibility of the disputes to proceed to the IDR payment determination stage.  
13 From the patient's insurance cards, Anthem's EOPs, the plain text of federal laws and  
14 regulations, CMS publications and resources, the Sound Physicians Providers' and  
15 HaloMD's preparation of IDR initiation forms and notices, their participation in the  
16 IDR process, and the specific objections to eligibility that Anthem submitted to the  
17 Sound Physicians Providers and to HaloMD, among other sources, the Sound  
18 Physicians Providers and HaloMD had no reasonable grounds on which to believe and  
19 represent that the services and disputes they were initiating were ineligible for the IDR  
20 process.

21 329. As described above, these misrepresentations were submitted by corporate  
22 agents of the Sound Physicians Providers and HaloMD using corporate email  
23 addresses—including [nsa@halomd.com](mailto:nsa@halomd.com), [soundnsa@halomd.com](mailto:soundnsa@halomd.com), and  
24 [soundfedidr@soundphysicians.com](mailto:soundfedidr@soundphysicians.com)—which, upon information and belief, was an  
25 attempt to conceal the identity of the individuals submitting the false attestations. As  
26 parties to IDR have no ability to engage in discovery—in fact, the parties submit final  
27 offers and supporting evidence in a blind process without the right or ability to see the  
28 other party's submission—the submission of false attestations achieved the

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 concealment of the corporate actors filing the false attestations.

2 330. The Sound Physicians Providers and HaloMD owed a duty of reasonable  
3 care to Anthem, under which they were required to conduct reasonable investigations,  
4 ensure the eligibility of the services for which they were initiating the IDR process, and  
5 guard against the submission of false attestations of eligibility leading IDREs to  
6 erroneously issue payment determinations in favor of the Sound Physicians Providers  
7 for items or services that were not eligible for the IDR process. The Sound Physicians  
8 Providers and HaloMD owed Anthem a duty of care to submit accurate information to  
9 Anthem, the IDREs, and the Departments when they sought payment or additional  
10 payment on the medical claims underlying the IDR disputes. Specifically, in making  
11 the false representations to Anthem, the IDREs, and the Departments, the Sound  
12 Physicians Providers and HaloMD were acting in the course of their business or  
13 profession and had a pecuniary interest in the underlying medical claims at issue.  
14 Moreover, the Sound Physicians Providers and HaloMD possessed superior knowledge  
15 of the facts underlying the services they (or their clients and co-conspirators in the case  
16 of HaloMD) provided.

17 331. The Sound Physicians Providers, or HaloMD on behalf of and in  
18 coordination with the Sound Physicians Providers, submitted these false attestations and  
19 did so with the intent that Anthem, the IDREs, and the Departments rely on them.  
20 Anthem was, in fact, compelled to rely on the false attestations because it was forced to  
21 proceed to a payment determination, despite the dispute's ineligibility.

22 332. Even if Anthem contested eligibility, the MPOWERHealth Defendants,  
23 the LaRoque Family Providers, and HaloMD knew and expected their deliberate  
24 misrepresentations would force Anthem to reasonably and foreseeably rely on the  
25 misrepresentations and proceed to a payment determination, despite the ineligibility of  
26 the dispute.

27 333. At all times when submitting the false attestations and engaging in the  
28 relevant IDR disputes, HaloMD was acting within the scope of HaloMD's agreements

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 with the Sound Physicians Providers to handle the IDR process for the Sound Physicians  
2 Providers in connection with the identified disputes.

3 334. The Sound Physicians Providers, or HaloMD on behalf of and in  
4 coordination with the Sound Physicians Providers, also falsely represented to Anthem  
5 during the statutorily required open negotiations process that the disputes were eligible  
6 for IDR and involved qualified IDR items and services meeting the NSA and regulatory  
7 definitions of that term when, in fact, they did not.

8 335. Anthem reasonably, foreseeably, and justifiably relied on the Sound  
9 Physicians Providers' and HaloMD's misrepresentations during the open negotiations  
10 and IDR initiation process. As part of the fraudulent schemes described herein,  
11 Defendants' tactic was to flood the IDR process and overwhelm the system such that  
12 Anthem would be unable to investigate each and every aspect of the hundreds of  
13 disputes often submitted on the same day within the 30-day open negotiations window  
14 or within days after IDR initiation. Additionally, HaloMD and the Sound Physicians  
15 Providers are in some circumstances the only entities in possession of information  
16 critical to Anthem's ability to assess a claim for IDR eligibility, such as information  
17 pertaining to the provider, types of services rendered, and patient records. Thus, Sound  
18 Physicians Providers and HaloMD knew Anthem was often incapable of knowing the  
19 falsity of these misrepresentations. As a result, Anthem justifiably relied on the  
20 misrepresentations by the Sound Physicians Providers, or HaloMD on their behalf, that  
21 the disputes were eligible for IDR and incurred significant monetary losses through  
22 incurring administrative and IDRE fees required by the NSA and in the form of IDR  
23 payment determinations finding against Anthem.

24 336. The Sound Physicians Providers and HaloMD owed Anthem a duty of  
25 reasonable care to provide accurate information as to the claims and services they were  
26 seeking to negotiate in good faith, as they were acting in the course of their business or  
27 profession and had a pecuniary interest in the underlying medical claims at issue.  
28 Moreover, the Sound Physicians Providers and HaloMD possessed superior knowledge

1 of the facts underlying the services they (or their clients and co-conspirators in the case  
2 of HaloMD) provided.

3 337. As a direct and proximate result of the Sound Physicians Providers' and  
4 HaloMD's misrepresentations, and Anthem's reasonable reliance on the same, Anthem  
5 and its affiliated health plans have suffered substantial damages in the form of payment  
6 on IDR payment determinations that were ineligible for resolution through the NSA's  
7 IDR process, along with payment of required administrative and IDRE fees.

8 338. Each member of the Sound Physicians Enterprise formed and operated in  
9 a conspiracy to defraud Anthem through these schemes, and each committed acts in  
10 furtherance thereof, resulting in the above-stated damages to Anthem.

11 **COUNT IX**  
12 **BUSINESS ACTS OR PRACTICES IN VIOLATION OF**  
13 **CAL. BUS. & PROF. CODE §§ 17200 et seq.**  
14 **(Against All Members of the LaRoque Family Enterprise)**

15 339. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
16 contained in the Complaint as if fully set forth at length herein.

17 340. HaloMD, on behalf of and in coordination with MPOWERHealth and the  
18 LaRoque Family Providers, engaged in unlawful, unfair, and fraudulent business acts  
19 or practices by misrepresenting information to Anthem, the IDREs, and the  
20 Departments throughout the NSA dispute resolution process, including by submitting  
21 the false attestations of eligibility regarding the disputes. From January 4, 2024, to  
22 August 2025, HaloMD, on behalf of and in coordination with MPOWERHealth and the  
23 LaRoque Family Providers, submitted hundreds of ineligible disputes through the NSA  
24 dispute resolution process, including in the exemplar disputes identified above, in which  
25 they knowingly and willfully represented that the disputes were eligible through IDR  
26 when they knew they were not.

27 341. From the patient's insurance cards, Anthem's EOPs, the plain text of  
28 federal laws and regulations, CMS publications and resources, HaloMD's preparation

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 of IDR initiation forms and notices, their participation in the IDR process, and the  
2 specific objections to eligibility that Anthem submitted to the LaRoque Family  
3 Providers and to HaloMD, among other sources, the MPOWERHealth Defendants, the  
4 LaRoque Family Providers, and HaloMD knew that the services and disputes they were  
5 initiating were ineligible for the IDR process.

6 342. HaloMD on behalf of and in coordination with the MPOWERHealth  
7 Defendants and the LaRoque Family Providers, submitted these false attestations with  
8 the intent that Anthem, the IDREs, and the Departments rely on them. Anthem was, in  
9 fact, compelled to rely on the false attestations because it was forced to proceed to a  
10 payment determination, despite the dispute's ineligibility.

11 343. The actions of the LaRoque Family Providers in coordination with the  
12 MPOWERHealth Defendants, and HaloMD on behalf of and coordination with the  
13 MPOWERHealth Defendants and the LaRoque Family Providers, violated the  
14 following statutes:

- 15 • California Penal Code § 550, which makes it unlawful to knowingly  
16 prepare, make, or subscribe any writing, with the intent to present or use  
17 it, or to allow it to be presented, in support of any false or fraudulent claim;  
18 conspire to or cause to be presented any written or oral statement as part  
19 of, or in support of or opposition to, a claim for payment or other benefit  
20 pursuant to an insurance policy, knowing that the statement contains any  
21 false or misleading information concerning any material fact; or conspire  
22 to prepare or make any written or oral statement that is intended to be  
23 presented to any insurer or any insurance claimant in connection with, or  
24 in support of or opposition to, any claim or payment or other benefit  
25 pursuant to an insurance policy, knowing that the statement contains any  
26 false or misleading information concerning any material fact, among other  
27 things.
- 28 • The Federal Health Care Fraud Statute, as set forth in 18 U.S.C. § 1347,  
which prohibits individuals and entities from executing or attempting to  
execute a scheme to defraud a health care benefit program, whether or not  
it is a federal program.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

- The NSA, 29 U.S.C. § 1185e and 42 U.S.C. § 300gg-111, and its implementing regulations, 29 C.F.R. § 2590.716-8 and 45 C.F.R. § 149.510, including by submitting false attestations that items and services under dispute are qualified IDR items and services, initiating the IDR process for items and services that are not qualified IDR items and services, and procuring IDR determinations and payment for items and services that are not qualified IDR items and services, as alleged herein.
- RICO, 18 U.S.C. § 1962(c), (d), as alleged herein.
- California common law regarding fraudulent and/or negligent misrepresentations, as alleged herein.

344. In addition to being unlawful, the conduct of HaloMD on behalf of and in coordination with MPOWERHealth and the LaRoque Family Providers, described herein, is immoral, unethical, oppressive, and unscrupulous. Moreover, through the significant financial harm this conduct causes to Anthem and its affiliated plans, it also disrupts the insurance market and causes significant downstream harm to consumers through the increased cost of health care services.

345. As a result of these unlawful, unfair, and fraudulent practices, Anthem and its affiliated health plans have suffered substantial damages.

346. Each member of the LaRoque Family Enterprise formed and operated in a conspiracy to defraud Anthem through these schemes, and each committed acts in furtherance thereof, resulting in the above-stated damages to Anthem.

**COUNT X**  
**BUSINESS ACTS OR PRACTICES IN VIOLATION OF**  
**CAL. BUS. & PROF. CODE §§ 17200 et seq.**  
**(Against All Members of the Sound Physicians Enterprise)**

347. Anthem repeats and realleges the allegations in Paragraphs 1 through 251 contained in the Complaint as if fully set forth at length herein.

348. The Sound Physicians Providers, or HaloMD on behalf of and in coordination with the Sound Physicians Providers, engaged in unlawful, unfair, and

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 fraudulent business acts or practices by misrepresenting information to Anthem, the  
2 IDREs, and the Departments throughout the NSA dispute resolution process, including  
3 by submitting the false attestations of eligibility regarding the disputes. From January  
4 4, 2024, to August 2025, the Sound Physicians Providers, or HaloMD on behalf of and  
5 in coordination with the Sound Physicians Providers, submitted hundreds of ineligible  
6 disputes through the NSA dispute resolution process, including in the exemplar disputes  
7 identified above, in which they knowingly and willfully represented that the disputes  
8 were eligible through IDR when they knew they were not.

9 349. From the patient’s insurance cards, Anthem’s EOPs, the plain text of  
10 federal laws and regulations, CMS publications and resources, the Sound Physicians  
11 Providers’ and HaloMD’s preparation of IDR initiation forms and notices, their  
12 participation in the IDR process, and the specific objections to eligibility that Anthem  
13 submitted to the Sound Physicians Providers and to HaloMD, among other sources, the  
14 Sound Physicians Providers and HaloMD knew that the services and disputes they were  
15 initiating were ineligible for the IDR process.

16 350. The Sound Physicians Providers, or HaloMD on behalf of the Sound  
17 Physicians Providers, submitted these false attestations and did so with the intent that  
18 Anthem, the IDREs, and the Departments rely on them. Anthem was, in fact, compelled  
19 to rely on the false attestations because it was forced to proceed to a payment  
20 determination, despite the dispute’s ineligibility.

21 351. The actions of the Sound Physicians Providers, and HaloMD on behalf of  
22 the Sound Physicians Providers, violated the following statutes:

- 23
- California Penal Code § 550, which makes it unlawful to knowingly  
24 prepare, make, or subscribe any writing, with the intent to present or use  
25 it, or to allow it to be presented, in support of any false or fraudulent claim;  
26 conspire to or cause to be presented any written or oral statement as part  
27 of, or in support of or opposition to, a claim for payment or other benefit  
28 pursuant to an insurance policy, knowing that the statement contains any  
false or misleading information concerning any material fact; or conspire  
to prepare or make any written or oral statement that is intended to be

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

presented to any insurer or any insurance claimant in connection with, or in support of or opposition to, any claim or payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any material fact, among other things.

- The Federal Health Care Fraud Statute, as set forth in 18 U.S.C. Section 1347, which prohibits individuals and entities from executing or attempting to execute a scheme to defraud a health care benefit program, whether or not it is a federal program.
- The NSA, 29 U.S.C. § 1185e and 42 U.S.C. § 300gg-111, and its implementing regulations, 29 C.F.R. § 2590.716-8 and 45 C.F.R. § 149.510, including by submitting false attestations that items and services under dispute are qualified IDR items and services, initiating the IDR process for items and services that are not qualified IDR items and services, and procuring IDR determinations and payment for items and services that are not qualified IDR items and services, as alleged herein.
- RICO, 18 U.S.C. § 1962(c), (d), as alleged herein.
- California common law regarding fraudulent and/or negligent misrepresentations, as alleged herein.

352. In addition to being unlawful, the conduct by Sound Physicians Providers and HaloMD, described herein, is immoral, unethical, oppressive, and unscrupulous. Moreover, through the significant financial harm this conduct causes to Anthem and its affiliated plans, it also disrupts the insurance market and causes significant downstream harm to consumers through the increased cost of health care services.

353. As a result of these unlawful, unfair, and fraudulent practices, Anthem and its affiliated health plans have suffered substantial damages.

354. Each member of the Sound Physicians Enterprise formed and operated in a conspiracy to defraud Anthem through these schemes, and each committed acts in furtherance thereof, resulting in the above-stated damages to Anthem.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**COUNT XI**

**VACATUR OF IDR DETERMINATIONS**

**(Brought in the Alternative Against all Defendants)**

355. Anthem repeats and realleges the allegations in Paragraphs 1 through 248 contained in the Complaint as if fully set forth at length herein.

356. In the alternative to seeking relief on the aforementioned counts, Anthem seeks vacatur of individual IDR determinations under 42 U.S.C. § 300gg-111(c)(5)(E).

357. Each individual IDR determination at issue was procured by undue means and fraud, warranting vacatur pursuant to 42 U.S.C. § 300gg-111(c)(5)(E) and 9 U.S.C. § 10(a)(1).

358. For each individual IDR determination at issue, the IDREs exceeded their powers by issuing payment determinations on items and services that are not qualified IDR items and services within the scope of the NSA’s IDR process. This warrants vacatur pursuant to 42 U.S.C. § 300gg-111(c)(5)(E) and 9 U.S.C. § 10(a)(4).

359. The Provider Defendants, and HaloMD on their behalf, continue to obtain awards by undue means and fraud, and the IDREs continue to exceed their powers by issuing payment determinations on items and services that are not qualified IDR items and services within the scope of the NSA’s IDR process. Thus, the list of IDR payment determinations subject to vacatur is expected to increase during the pendency of the case.

**COUNT XII**

**ERISA CLAIM FOR EQUITABLE RELIEF**

**(Against All Defendants)**

360. Anthem repeats and realleges the allegations in Paragraphs 1 through 248 contained in this Complaint as if fully set forth at length herein.

361. Anthem provides claims administration services for certain health benefit plans governed by ERISA. Those health benefit plans and their employer sponsors delegate to Anthem discretionary authority to recover overpayments, including those

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

1 resulting from fraud, waste, or abuse. They also delegate the authority to Anthem to  
2 administer the IDR process for the plans, including the discretionary authority to  
3 perform other services incident or necessary to Anthem’s administration of the IDR  
4 process.

5 362. ERISA authorizes a fiduciary of a health plan to bring a civil action to  
6 “enjoin any act or practice which violates any provision of this subchapter or the terms  
7 of the plan” or “to obtain other appropriate equitable relief (i) to redress such violations  
8 or (ii) to enforce any provisions of this subchapter or the terms of the plan.” 29 U.S.C.  
9 § 1132(a)(3).

10 363. Section 1185e of ERISA sets out the rights and obligations of plans and  
11 medical providers with respect to the IDR process, including that the IDR process does  
12 not apply in situations where there is a specified state law, where the provider is a  
13 participating provider, and where the provider has not initiated or engaged in open  
14 negotiations. 29 U.S.C. § 1185e.

15 364. Through the acts described herein, Defendants have caused and continue  
16 to cause the overpayment of funds on behalf of ERISA-governed benefit plans through  
17 conduct that violates Section 1185e of ERISA.

18 365. Defendants are continuing to engage in such improper conduct, including  
19 but not limited to failing to properly initiate or engage in open negotiations prior to  
20 initiating the IDR process, initiating IDR for services subject to California’s specified  
21 state law, initiating IDR with respect to claims that Anthem denied and thus are exempt  
22 from the IDR process, and failing to comply with other NSA requirements such as the  
23 IDR batching rules or the cooling off period. This conduct causes ongoing harm to  
24 Anthem and the ERISA-governed benefit plans.

25 366. There is an actual case and controversy between Anthem and Defendants  
26 relating to the claims fraudulently submitted and arbitrated as part of the NSA’s IDR  
27 process.

28 367. Anthem seeks an order enjoining Defendants from:

- 1 a. Initiating IDR without first properly initiating and engaging in  
2 open negotiations;
- 3 b. Initiating IDR for services subject to California’s specified state  
4 laws;
- 5 c. Initiating IDR for services that Anthem denied and thus are not  
6 eligible for IDR; and
- 7 d. Initiating IDR for services when Defendants failed to comply  
8 with other NSA requirements such as the deadline to initiate IDR  
9 following open negotiations.

10 **COUNT XIII**

11 **DECLARATORY AND INJUNCTIVE RELIEF**

12 **(Against All Defendants)**

13 368. Anthem repeats and realleges the allegations in Paragraphs 1 through 248  
14 contained in this Complaint as if fully set forth at length herein.

15 369. Anthem seeks a declaration that the Provider Defendants’ and HaloMD’s  
16 conduct of submitting false attestations and initiating IDR for unqualified IDR items or  
17 services, and each Defendant’s conduct causing the same, is unlawful. Anthem  
18 additionally seeks a declaration that IDR determinations for such unqualified IDR items  
19 or services are not binding or subject to payment. It further seeks an injunction  
20 prohibiting the Provider Defendants and HaloMD from continuing to submit false  
21 attestations and initiate IDR for items or services that are not qualified for IDR, or from  
22 seeking to enforce non-binding IDR determinations entered on items and services not  
23 qualified for IDR.

24 370. With respect to health plans and claims governed by ERISA, this cause of  
25 action is alleged in the alternative to the previous cause of action, in the event that the  
26 Court determines that relief under Section 1132(a)(3) of ERISA is not available.

27 371. There is no adequate remedy at law to prevent the ongoing harm caused  
28 by Defendants’ conduct.

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia

**PRAYER FOR RELIEF**

WHEREFORE, Anthem respectfully requests that the Court:

- a. Award monetary damages to the full extent allowed by law, including, but not limited to, compensatory damages, punitive damages, and treble damages;
- b. Relief from all improperly-obtained NSA IDR awards;
- c. Declaratory relief in the form of an order finding that Defendants’ conduct in submitting false attestations and initiating IDR for unqualified IDR items or services is unlawful;
- d. Declaratory relief in the form of an order finding that IDR awards for such unqualified IDR items or services are not binding;
- e. Injunctive relief prohibiting Defendants from continuing to submit false attestations and from continuing to initiate IDR for items or services that are not qualified for IDR, or from seeking to enforce non-binding awards entered on items and services not qualified for IDR;
- f. Declare that IDR awards issued on unqualified IDR items or services are non-binding and are not payable on a go-forward basis; and
- g. Award pre- and post-judgment interest;
- h. Award costs, attorney’s fees, and interest;
- i. In the alternative, grant vacatur of the underlying IDR determinations; and
- j. Grant such other and further relief as the Court deems just and proper.

**JURY DEMAND**

Anthem demands a trial by jury on all issues so triable.

DATED: October 17, 2025

By: /s/ Jason T. Mayer

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

CROWELL & MORING LLP  
A limited liability partnership formed in the District of Columbia