IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

COMMUNITY INSURANCE COMPANY D/B/A ANTHEM BLUE CROSS AND BLUE SHIELD, Plaintiff, v. HALOMD, LLC, ALLA LAROQUE, SCOTT LAROQUE, MPOWERHEALTH PRACTICE MANAGEMENT, LLC, EVOKES, LLC, MIDWEST NEUROLOGY, LLC, ONE CARE MONITORING, LLC, and VALUE MONITORING LLC, Defendants.	Civil Action No. 1:25-cv-00388-DRC District Judge: Douglas R. Cole

DEFENDANTS' MOTION FOR LEAVE TO FILE SIXTH NOTICE OF SUPPLEMENTAL AUTHORITY

Pursuant to Local Rule 7.2(a)(2) and the Court's inherent authority, Defendants respectfully request leave to file the attached Sixth Notice of Supplemental Authority in support of their Motions to Dismiss the Amended Complaint (R. 38, R. 39, R. 40). The Sixth Notice of Supplemental Authority advises the Court of the Opinion and Order (Doc. 90) issued July 10, 2026, and the Judgment (Doc. 91) entered July 13, 2026, by the United States District Court for the Northern District of Georgia in *Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. v. HaloMD, LLC, et al.*, No. 1:25-CV-2919-TWT (N.D. Ga. July 10, 2026) (the "Georgia Action"). There, the court granted the motions to dismiss filed by HaloMD and the healthcare provider defendants and dismissed the Amended Complaint filed by Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. ("BCBSGA") in its entirety with prejudice. The claims in the Georgia Action, like Anthem's claims here, were based on the defendants' initiation of Independent Dispute Resolution ("IDR") proceedings under the No Surprises Act ("NSA").

For the same reasons set forth in Defendants' five prior motions for leave, Defendants seek leave to file the attached Sixth Notice to bring the Court's attention to the decision in the Georgia Action, which is also "directly relevant to the motion before the Court" given similar claims, allegations, and arguments. *See Chhajed v. Jaddou*, No. 2:23-cv-483, 2024 WL 1332258, at *3 n.2 (S.D. Ohio Mar. 27, 2024). The decision in the Georgia Action is directly relevant to and will assist the Court in resolving Defendants' pending Motions to Dismiss the Amended Complaint (R. 38, R. 39, R. 40) because the claims, allegations, and legal arguments in the Georgia Action—which was brought by an affiliate of the Plaintiff in this action—were materially similar to Anthem's claims here.

Defendants thus respectfully move for leave to file the attached Sixth Notice of Supplemental Authority in support of their Motions to Dismiss the Amended Complaint.

Respectfully submitted.

Dated: July 13, 2026

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Counsel for Defendants MPOWERHealth Practice Management, LLC, Evokes, LLC, Midwest Neurology, LLC, One Care Monitoring, LLC, and Value Monitoring LLC

CERTIFICATE OF SERVICE

I hereby certify that on July 13, 2026, a copy of the foregoing Defendants' Motion for Leave to file Sixth Notice of Supplemental Authority was electronically filed with the Clerk of the United States District Court for the Southern District of Ohio, Western Division, using the CM/ECF system, which will send notification of such filing to all counsel of record in this matter.

/s/ Ana T. Ramirez
Ana T. Ramirez

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

COMMUNITY INSURANCE COMPANY D/B/A ANTHEM BLUE CROSS AND BLUE SHIELD, Plaintiff, v. HALOMD, LLC, ALLA LAROQUE, SCOTT LAROQUE, MPOWERHEALTH PRACTICE MANAGEMENT, LLC, EVOKES, LLC, MIDWEST NEUROLOGY, LLC, ONE CARE MONITORING, LLC, and VALUE MONITORING LLC, Defendants.	Civil Case No. 1:25-cv-00388-DRC District Judge: Douglas R. Cole

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

Defendants respectfully submit this Sixth Notice of Supplemental Authority in support of their pending motions to dismiss Plaintiff Community Insurance Company d/b/a Anthem Blue Cross and Blue Shield's ("Anthem") Amended Complaint, namely, a July 10, 2026 Opinion and Order dismissing with prejudice a nearly identical complaint filed by another Anthem affiliate against Defendant HaloMD, LLC and other healthcare provider defendants in Georgia.

On July 10, 2026, the United States District Court for the Northern District of Georgia issued its Opinion and Order (Doc. 90) ("Order") granting the motions to dismiss filed by HaloMD and the other healthcare provider defendants in *Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. v. HaloMD, Inc., et al.*, No. 1:25-CV-2919-TWT (N.D. Ga.) (the "Georgia action"), a copy of which is attached as **Exhibit A**. The court dismissed Blue Cross Blue Shield Healthcare

Plan of Georgia's ("BCBSGA") Amended Complaint in its entirety with prejudice, and judgment was entered for defendants on July 13, 2026.

The Amended Complaint in the Georgia action is attached as **Exhibit B**. There, BCBSGA asserted materially identical factual allegations and many identical causes of action to those asserted in this case, including claims for: (i) violations of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1962(c), (d), and Georgia's analogous RICO statute; (ii) vacatur of IDR determinations under the NSA; (iii) equitable relief under the ("Employee Retirement Income Security Act"); and (iv) Georgia analogs to several Ohio state law causes of action asserted in this Action, including common law fraud/fraudulent misrepresentation, negligent misrepresentation, statutory fraud, theft by deception, civil conspiracy, and violations of the Georgia Deceptive Trade Practices Act.

HaloMD noted the existence of the Georgia action in its pending motion to dismiss in this Action. *See* Defendant HaloMD's Motion to Dismiss (Dkt. 43) at 15 n. 6. The Order is relevant to this Action as it addresses many of the same arguments made by the parties here. In ruling on those arguments, the court in the Georgia action dismissed the entirety of BCBSGA's pleading, holding that:

1. the NSA's limitation on judicial review, 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II) (incorporating 9 U.S.C. § 10(a)(1)-(4)), forecloses judicial review of both IDRE payment determinations and IDRE eligibility determinations. Order at 19-24;
2. the court lacked subject-matter jurisdiction over BCBSGA's non-vacatur claims (*i.e.*, RICO claim, state-law claims, and ERISA claim) because those claims were prohibited impermissible collateral attacks. Order at 29-44;

3. BCBSGA failed to plead any permissible grounds for vacatur of IDR awards. Order at 53-65, 68.

The court noted, when analyzing BCBSGA's claim for vacatur based on alleged fraud that:

> "It is highly improbable to infer from these facts that there is a vast conspiracy of providers and IDREs that have conspired to defraud the Plaintiff of millions of dollars in thousands of NSA IDR proceedings over many years. It is highly plausible to infer that the Plaintiff engages in a consistent practice of submitting lowball offers to out-of-network providers in an effort to maximize its profits."

The court further declined to permit amendment and dismissed the Amended Complaint with prejudice because, in the court's words, "justice is not served by prolonging the inevitable" and "[n]o additional modifications will imbue life into [BCBSGA's] claims." Order at 67.

Respectfully submitted,

Dated: July 13, 2026

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CERTIFICATE OF SERVICE

I hereby certify that on July 13, 2026, a copy of the foregoing Defendants' Sixth Notice of Supplemental Authority in Support of their Motions to Dismiss was electronically filed with the Clerk of the United States District Court for the Southern District of Ohio, Western Division, using the CM/ECF system, which will send notification of such filing to all counsel of record in this matter.

/s/ Ana T. Ramirez
Ana T. Ramirez

EXHIBIT A

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, INC., et al., Defendants.	CIVIL ACTION FILE NO. 1:25-CV-2919-TWT

OPINION AND ORDER

This is a No Surprises Act ("NSA") case. It is before the Court on Defendants Sound Physicians Emergency Medicine of Georgia, P.C.'s and Hospitalist Medicine Physicians of Georgia TCG, PC's[1] Motion to Dismiss [Doc. 45] and Defendant HaloMD, Inc.'s ("HaloMD's") Motion to Dismiss [Doc. 47]. For the reasons stated below, the Provider Defendants' Motion to Dismiss [Doc. 45] and Defendant HaloMD's Motion to Dismiss [Doc. 47] are GRANTED.

I. Background[2]

This case arises out of disputes related to the arbitration process created by the No Surprises Act. The Plaintiff generally alleges that the Defendants

[1] As the Plaintiff does in its Amended Complaint, the Court will refer to Defendants Sound Physicians and Hospitalist Medicine Physicians collectively as the "Provider Defendants."

[2] The Court accepts the facts as alleged in the Amended Complaint as true for purposes of the present Motion to Dismiss. *Wilding v. DNC Servs. Corp.*, 941 F.3d 1116, 1122 (11th Cir. 2019).

conspired to defraud the Plaintiff through abuse of the NSA Independent Dispute Resolution process. (*See* Am. Compl. ¶¶ 2-10 [Doc. 43]).

A. The Parties

The Plaintiff is licensed as a Health Maintenance Organization in Georgia and offers a broad range of health care plans, insurance contracts, and services to its plan sponsors, members, and insureds who enroll in their plans. (*Id.* ¶¶ 11, 19). Defendant HaloMD is a company that operates "with an exclusive focus on Independent Dispute Resolution ("IDR")" and solicits and represents physician practices throughout the United States, including in Georgia. (*Id.* ¶¶ 6, 12). The Provider Defendants are affiliates of Sound Physicians, a national hospital staffing company, which advertises itself as a multi-specialty practice group with over 4,000 medical professionals that partners with more than 400 hospitals across the United States and manages approximately six percent of all acute medical hospitalizations. (*Id.* ¶¶ 13-16). While the Provider Defendants are both Georgia Professional Corporations, they were incorporated by individuals located in Tacoma, Washington, where Sound Physicians is headquartered. (*Id.* ¶¶ 13-14, 16).

B. Pre-NSA Insurer-Provider Disputes

Generally, health insurers like the Plaintiff contract with a network of healthcare providers from whom their members may obtain "in-network" care. (*Id.* ¶ 26). These contracts govern the rate for relevant services and prohibit

healthcare providers from billing patients above the amount agreed upon by the parties. (*Id.*). But members also have the option to obtain treatment from "out-of-network" healthcare providers. (*Id.*). These providers do not have contracts with the relevant health insurer, which often results in members paying more for the services provided to them. (*Id.*).

Health care needs are not always predictable, and emergencies happen when individuals least expect it. (*See id.* ¶ 27). At times, members may not be able to choose between an in-network and out-of-network provider when they suffer a medical emergency and receive treatment from the nearest emergency room. (*Id.*). Also, the hospital could be in-network but the member is treated by an out-of-network physician. (*Id.*). In such cases, out-of-network providers would often charge patients inflated rates as part of a practice known as "surprise billing." (*Id.* ¶¶ 27-28). Because patients and health insurers would have little to no choice but to pay the inflated rates, surprise billing became a growing problem. (*Id.* ¶¶ 28-29).

C. The NSA

In 2020, Congress began crafting a solution to combat the growing practice of surprise billing. (*See id.* ¶ 30). It considered surprise billing "a 'market failure' that was having 'devastating financial impacts on Americans and their ability to afford needed health care.'" (*Id.* (quoting H.R. Rep. No. 116-615, at 52 (2020))). Congress ultimately passed the NSA, which became

effective as of January 2022. (*Id.* ¶¶ 30-31).

The NSA banned surprise billing for three categories of out-of-network care: "(1) emergency services; (2) non-emergency services by out-of-network providers at in-network facilities; and (3) air ambulance services." (*Id.* ¶ 31 (citing 42 U.S.C. § 300gg-131, then citing 42 U.S.C. § 300gg-132, then citing 42 U.S.C. § 300gg-135)). The NSA also created a framework outside of the judicial process for health insurers and providers to resolve specific types of billing disputes that arise from the provision of these specific healthcare services. (*Id.* ¶ 32 (citing 42 U.S.C. § 300gg-111(c))). The framework imposes "(1) open negotiations – a required 30-business-day period to try resolving the dispute informally; (2) an IDR process for 'qualified IDR items and services' if no agreement is reached; and (3) if applicable, a binding payment determination from private parties called certified IDR entities ("IDREs")." (*Id.*).

Under this framework, when a health plan receives a claim for out-of-network services subject to the NSA, the health insurer will make an initial payment or issue a notice of denial of payment within 30 days. (*Id.* ¶ 33 (citing 42 U.S.C. § 300gg-111(a)(1)(C)(iv)(I)). If the out-of-network provider is dissatisfied with the initial payment, then the provider or its designee may initiate open negotiations with the health insurer by providing formal written notice to the insurer within 30 business days of the initial payment or notice of denial. (*Id.* ¶ 34 (citing 42 U.S.C. § 300gg-111(c)(1)(A))). Both parties must

engage in good faith negotiations during this process. (*Id.* (citing 42 U.S.C. § 300gg-111(c)(1)(A))).

If the parties fail to reach an agreement, a healthcare provider may initiate the IDR process within four business days of the conclusion of the open negotiations period. (*Id.* ¶ 35 (quoting and citing 42 U.S.C. § 300gg-111(c)(1)(B), then citing 45 C.F.R. § 149.510(b)(2)(i))). After the provider initiates the IDR process, the parties select, or the Department of Health and Human Services appoints, an IDRE. (*Id.* ¶ 63 (citing 42 U.S.C. § 300gg-111(c)(4)(F))). The IDRE performs two tasks. (*Id.*). First, the IDRE must "'determine whether the Federal IDR process applies'" by reviewing "'the information submitted in the notice of IDR initiation.'" (*Id.* ¶ 64 (quoting 45 C.F.R. § 149.510(c)(1)(v)). Second, if the IDRE determines the IDR process applies, then the IDRE proceeds to a payment determination. (*Id.* ¶ 65 (citing 42 U.S.C. § 300gg-111(c)(5)(A))). Under this process, the parties each submit their offer and the IDRE selects one party's offer as the out-of-network rate after considering a calculation methodology prescribed by federal regulation, which approximates the insurer's median in-network contracting rate for the services along with the provider's training, experience, quality, and market share and the patient's acuity, among others. (*Id.* ¶¶ 66-67 (citing 42 U.S.C. §§ 300gg-111(c)(5)(B), (C))). IDREs cannot consider, amongst other variables, the provider's charges. (*Id.* ¶ 67 (citing 42 U.S.C. § 300gg-111(c)(5)(D))).

Ultimately, an IDR determination is binding in the absence of a fraudulent claim or evidence of misrepresentation of facts presented to the IDRE involved regarding such claim. (*Id.* ¶ 68 (citing 42 U.S.C. § 300gg-111(c)(5)(E)(i))). Judicial review of the IDRE determination is only permitted under circumstances specified in the Federal Arbitration Act (9 U.S.C. §§ 10(a)(1)-(4)): (1) "where the award was procured by corruption, fraud, or undue means;" (2) "where there was evident partiality or corruption in the [IDREs];" (3) "where the [IDREs] were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced; or" (4) "where the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made." (*Id.* ¶ 71 (quoting 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II), then quoting 9 U.S.C. §§ 10(a)(1)-(4))).

D. Process and Safeguards in Initiating IDR

In order to initiate the IDR process, a provider must go to a federal website called the "IDR Portal." (*Id.* ¶ 44). The first page of the website specifies that parties may use the IDR Portal if they participated in an open negotiation period that expired without an agreement for a qualified IDR item or service. (*Id.* ¶ 47). Under the NSA, a qualified IDR item or service must meet

the following conditions: (1) it must be an item or service within the NSA's scope and also of a coverage type subject to the NSA; (2) a "specified state law" does not apply to the dispute; (3) the underlying services were covered by the patient's health benefit plan; (4) the patient did not waive the NSA's balance billing protections; (5) the provider initiated and exhausted open negotiations; (6) the provider initiated the IDR process within four business days after the open negotiations period ended; and (7) the provider has not had a previous IDR determination on the same services and against the same payor in the previous 90 calendar days. (*Id.* ¶ 37 (citing 42 U.S.C. § 300gg-111(c)(1)(B), then citing 45 C.F.R. §§ 149.510(a)(2)(xi), (b)(2))). For the second requirement, a "specified state law" is defined by the NSA as a state law that provides for "'a method for determining the total amount payable under such a plan, coverage, or issuer, respectively . . . in the case of a participant, beneficiary, or enrollee covered under such plan or coverage and receiving such item or service from such a nonparticipating provider or nonparticipating emergency facility.'" (*Id.* ¶ 38 (quoting 42 U.S.C. § 300gg-111(a)(3)(I), then quoting 45 C.F.R. 149.30)). In any case, the website also provides a link to a list of state laws that render certain disputes ineligible for the IDR process. (*Id.* ¶ 47).

Before initiating the IDR process, parties must agree to certain terms and conditions that include a notice that the initiating party must submit an attestation that the IDR items and services are within the scope of the Federal

IDR process. (*Id.* ¶ 48). After agreeing to the terms and conditions, providers must then answer certain questions to determine whether the dispute is eligible for IDR. (*Id.* ¶ 49). If the dispute is not eligible, the form will provide an alert and prevent the initiating party from proceeding. (*Id.* ¶¶ 49-50). Once the questions have been answered, a provider must complete the Notice of IDR Initiation, where it must provide a variety of relevant information, such as the name and contact information of the healthcare provider, the claim number, the date of the service, the median in-network rate for the same service in the same geographic area for the qualified IDR item or services at issue, and documentation supporting these facts. (*Id.* ¶ 54). At the end of the process, the provider must attest that the items and services are qualified items and services within the scope of the Federal IDR process. (*Id.* ¶ 55). The system then sends all the information to the insurer. (*Id.* ¶ 56). In addition to these federal safeguards, the Plaintiff also informs providers whenever certain items and services are ineligible for IDR before they initiate any proceedings. (*Id.* ¶ 59).

E. Alleged Fraudulent Scheme

Beginning no later than January 2024, the Plaintiff alleges that the Defendants conspired to defraud the Plaintiff by fraudulently submitting thousands of ineligible IDR disputes to the Plaintiff. (*Id.* ¶ 72). According to the Plaintiff, the Defendants' scheme involved three related tactics. (*Id.* ¶ 76).

First, the Defendants made repeated false statements, representations, and attestations of IDR eligibility to the Plaintiff and the IDREs. (*Id.*). The Defendants submitted false attestations through the IDR Portal, claiming eligibility for disputes involving (1) services and disputes governed by a specified state law under the meaning of the NSA; (2) Medicaid- or Medicare-governed services for which the NSA does not apply; (3) services not covered by the patient's plan; (4) disputes for which the Defendants failed to initiate or pursue open negotiations; and (5) disputes already resolved or time-barred. (*Id.* ¶ 74). This meant that, despite the safeguards present on the IDR Portal, the Defendants knowingly falsely attested to the eligibility of clearly ineligible disputes throughout the questionnaire and in the face of information presented within the IDR Portal and by the Plaintiff. (*See id.* ¶¶ 79-89).

Second, the Defendants manipulated the IDR process by strategically submitting massive numbers of open negotiations and IDR initiations, most of which are ineligible for IDR, to overwhelm the ability of the Plaintiff to contest claims, confuse and swamp IDREs, and manipulate the IDR process. (*Id.* ¶76). With the use of artificial intelligence, Defendant HaloMD, on behalf of and in coordination with the Provider Defendants, flooded the IDR system with fraudulent disputes, deliberately overwhelming IDR safeguards and enabling erroneous payments. (*Id.* ¶ 75). During the last six months of 2024, Defendant

HaloMD initiated 134,318 disputes through the IDR process, exceeding the government's original estimate for total annual disputes more than sixfold. (*Id.* ¶¶ 92, 95). In other words, Defendant HaloMD was initiating an average of more than 746 disputes against health plans per day. (*Id.* ¶ 95). A large number of these disputes were directed against the Plaintiff. For example, on one day in May 2024, the Defendants initiated 228 separate IDR proceedings against the Plaintiff. (*Id.* ¶ 97). The Plaintiff's "records" showed that more than 80% of these disputes were ineligible for IDR but the Plaintiff still lost in 192 of the disputes. (*Id.*).

Finally, the Defendants submitted false and inflated requests for payment that they could never receive on the open market, including many that exceeded the Provider Defendants' own billed charges. (*Id.* ¶ 76). Although IDREs are tasked to make payment determinations according to certain federal standards, IDRE payment determinations skew heavily in favor of providers. (*Id.* ¶ 104). In the most recent reporting period, providers prevailed in 85% of IDR payment determinations and prevailing offers exceeded federal standards 85% of the time. (*Id.* ¶ 105). Knowing this, the Defendants made inflated offers to take advantage of this flaw within the system. (*See id.* ¶¶ 106-110).

The Plaintiff alleges that the Defendants conducted the activities of an association-in-fact enterprise by functioning as a continuing unit with

established duties. (*Id.* ¶¶ 115-16). Defendant HaloMD is the hub of the Defendants' scheme. (*Id.* ¶119). In the course of its business, Defendant HaloMD solicited and represented many different types of out-of-network providers who need to go through the IDR process. (*Id.* ¶¶ 120-21). They did so by gathering and organizing the necessary documentation from the providers and preparing a compelling case that highlights the provider's position, using artificial intelligence. (*Id.* ¶¶ 122-24). Defendant HaloMD also had a financial incentive to cut corners in the IDR process because it operated on a commission-based reimbursement model, where it does not get paid unless the provider gets paid. (*Id.* ¶ 125). In order to increase financial gains, it brought in as many services as possible through the IDR process regardless of their merit and sought the highest possible monetary award. (*Id.*).

The Provider Defendants were two of Defendant HaloMD's clients and were co-conspirators within the fraudulent scheme. The Provider Defendants shared resources and intermingled operations with respect to IDR claims. (*Id.* ¶ 130). While Sound Physicians filed some of the IDR initiations on behalf of the Provider Defendants, Defendant HaloMD filed others. (*Id.* ¶¶ 130-31). In both cases, the "same pattern of systemic initiation of faulty and ineligible disputes" existed, showing that their operations were commingled. (*Id.* ¶ 131). Once the Provider Defendants coordinated with Defendant HaloMD, they were able to maximize their fraudulent scheme together by concealing each other's

involvement. (*Id.* ¶¶ 131-32). Ultimately, the Plaintiff was harmed from this coordination.

F. Procedural History

The Plaintiff filed its Complaint with this Court to recover damages for the injuries it suffered from the Defendants' fraudulent scheme. (*See generally* Compl. [Doc. 1]). The Amended Complaint asserts both federal and state law claims. As to the federal claims, the Plaintiff seeks (1) civil relief under the Racketeer Influenced and Corrupt Organizations Act ("RICO"), (2) vacatur of the individual IDR awards made by the IDREs, or (3) equitable relief under the Employee Retirement Income Security Act of 1974 ("ERISA"). (*See* Am. Compl. ¶¶ 161-94, 250-62). As to the Georgia law claims, the Plaintiff seeks civil relief for claims under (1) Georgia's RICO statute, (2) fraudulent misrepresentation, (3) negligent misrepresentation, (4) statutory fraud per O.C.G.A. § 51-6-2(a), (5) theft by deception, (6) civil conspiracy, and (7) the Georgia Deceptive Trade Practices Act. (*See id.* ¶¶ 195-249). The Defendants now move to dismiss all claims against them for lack of subject-matter jurisdiction, personal jurisdiction, and for failure to state a claim. (*See generally* Provider Defs.' Mot. to Dismiss [Doc. 45]; Def. HaloMD's Mot. to Dismiss [Doc. 47]).

II. Legal Standards

A complaint should be dismissed under Rule 12(b)(1) only where the court lacks jurisdiction over the subject matter of the dispute. Fed. R. Civ. P. 12(b)(1). Attacks on subject matter jurisdiction come in two forms: "facial attacks" and "factual attacks." *Garcia v. Copenhaver, Bell & Assocs., M.D.'s, P.A.*, 104 F.3d 1256, 1260 (11th Cir. 1997). Facial attacks on the complaint "require the court merely to look and see if the plaintiff has sufficiently alleged a basis of subject matter jurisdiction, and the allegations in his complaint are taken as true for the purposes of the motion." *Id.* at 1261 (citation modified). On a facial attack, therefore, a plaintiff is afforded safeguards similar to those provided in opposing a Rule 12(b)(6) motion. *Lawrence v. Dunbar*, 919 F.2d 1525, 1529 (11th Cir. 1990). "Factual attacks, on the other hand, challenge the existence of subject matter jurisdiction in fact, irrespective of the pleadings, and matters outside the pleadings, such as testimony and affidavits, are considered." *Garcia*, 104 F.3d at 1261 (quotation marks omitted). On a factual attack, "no presumptive truthfulness attaches to plaintiff's allegations, and the existence of disputed material facts will not preclude the trial court from evaluating for itself the merits of jurisdictional claims." *Scarfo v. Ginsberg*, 175 F.3d 957, 960–61 (11th Cir. 1999) (quotation marks and citation omitted).

On a motion to dismiss for lack of personal jurisdiction under Rule 12(b)(2), "the plaintiff has the burden of establishing a prima facie case by

presenting enough evidence to withstand a motion for directed verdict." *United States ex rel. Bibby v. Mortg. Invs. Corp.*, 987 F.3d 1340, 1356 (11th Cir. 2021). In evaluating a plaintiff's case, "[t]he district court must construe the allegations in the complaint as true, to the extent they are uncontroverted by defendant's affidavits or deposition testimony." *Morris v. SSE, Inc.*, 843 F.2d 489, 492 (11th Cir. 1988). Where the defendant contests the allegations of the complaint through affidavits, "the burden shifts back to the plaintiff to produce evidence supporting personal jurisdiction, unless the defendant's affidavits contain only conclusory assertions that the defendant is not subject to jurisdiction." *Stubbs v. Wyndham Nassau Resort & Crystal Palace Casino*, 447 F.3d 1357, 1360 (11th Cir. 2006). "And where the evidence presented by the parties' affidavits and deposition testimony conflicts, the court must draw all reasonable inferences in the plaintiff's favor." *Mortg. Invs.*, 987 F.3d at 1356 (quotation marks omitted).

A complaint should be dismissed under Rule 12(b)(6) only where it appears that the facts alleged fail to state a "plausible" claim for relief. *Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009); Fed. R. Civ. P. 12(b)(6). A complaint may survive a motion to dismiss for failure to state a claim; however, even if it is "improbable" that a plaintiff would be able to prove those facts; even if the possibility of recovery is extremely "remote and unlikely." *Bell Atl. Corp. v. Twombly*, 550 U.S. 544, 556 (2007). In ruling on a motion to dismiss, the Court

must accept the facts pleaded in the complaint as true and construe them in the light most favorable to the plaintiff. *See Quality Foods de Centro Am., S.A. v. Latin Am. Agribusiness Dev. Corp., S.A.*, 711 F.2d 989, 994-95 (11th Cir. 1983); *see also Sanjuan v. Am. Bd. of Psychiatry & Neurology, Inc.*, 40 F.3d 247, 251 (7th Cir. 1994) (noting that at the pleading stage, the plaintiff "receives the benefit of imagination"). Generally, notice pleading is all that is required for a valid complaint. *See Lombard's, Inc. v. Prince Mfg., Inc.*, 753 F.2d 974, 975 (11th Cir. 1985). Under notice pleading, the plaintiff need only give the defendant fair notice of the plaintiff's claim and the grounds upon which it rests. *See Erickson v. Pardus*, 551 U.S. 89, 93 (2007) (citing *Twombly*, 550 U.S. at 555).

III. Discussion

The Defendants make several arguments in favor of dismissal of the claims against them. The Court will address the subject matter and personal jurisdiction arguments first before addressing the substantive arguments.

A. Subject Matter Jurisdiction

1. Article III Standing

Article III of the Constitution limits the jurisdiction of federal courts to actual cases or controversies. *Florence Endocrine Clinic, PLLC v. Arriva Medical, LLC*, 858 F.3d 1362, 1365 (11th Cir. 2017) (citing U.S. Const. Art. III, § 2). This means that any plaintiff filing a complaint in federal court must

establish that they have standing to sue. *Id.* at 1365-66 (quoting *Raines v. Byrd*, 521 U.S. 811, 818 (1997)). A plaintiff must demonstrate three elements to establish Article III standing: "[t]he plaintiff must have (1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision." *Id.* at 1366 (quoting *Spokeo, Inc. v. Robins*, 578 U.S. 330, 338 (2016)).

Defendant HaloMD asserts that the Plaintiff lacks Article III standing to pursue relief against it. (*See* Br. in Supp. of Def. HaloMD's Mot. to Dismiss, at 13-17 [Doc. 47-1]). Specifically, Defendant HaloMD argues that the Plaintiff cannot satisfy the traceability element against it under the facts alleged in the Amended Complaint. (*See id.* at 14). It does not dispute whether the Plaintiff alleged an injury in fact or whether the Court can redress the Plaintiff's injuries. This is for good reason. The Plaintiff asserts damages arising out of lost time and money. (*See e.g.* Am. Compl. ¶¶ 4, 9, 73, 97-99, 111). As the Eleventh Circuit puts it, these are "garden-variety injuries in fact under Article III" that a court can easily redress. *Walters v. Fast AC, LLC*, 60 F.4th 642, 649 (11th Cir. 2023). Thus, the Court will now turn to the issue of traceability.

"To satisfy the traceability requirement, a plaintiff must establish a 'causal connection between the injury and the conduct complained of.'" *Garcia-Bengochea v. Carnival Corp.*, 57 F.4th 916, 926 (11th Cir. 2023)

(quoting *Lujan*, 540 U.S. at 560). "Proximate causation is not a requirement of Article III standing." *Wilding*, 941 F.3d at 1125 (quoting *Lexmark Int'l, Inc. v. Static Control Components, Inc.*, 572 U.S. 118, 134 n. 6 (2014) (citation modified)). "A plaintiff therefore need not show (or, as here, allege) that 'the defendant's actions are the very last step in the chain of causation.'" *Id.* at 1126 (quoting *Bennett v. Spear*, 520 U.S. 154, 168-69 (1997)). A plaintiff fails to satisfy traceability when "the plaintiff 'would have been injured in precisely the same way' without the defendant's alleged misconduct." *Walters*, 60 F.4th at 650.

Defendant HaloMD argues that the Plaintiff's claims fail traceability for two reasons. First, it argues that it did not render the IDR awards or make binding determinations so the injury cannot be traceable to it since the IDREs are independent neutrals and decide eligibility for themselves. (Br. in Supp. of Def. HaloMD's Mot. to Dismiss, at 14-15). Second, Defendant HaloMD claims that the crux of the Plaintiff's dispute lies with the structure of the NSA itself and not the Defendants. (*Id.* at 16-17).

Neither argument is persuasive. The standard to satisfy Article III traceability is light and does not require the Plaintiff to allege that the Defendants directly performed the action that resulted in the injury. *See Walters*, 60 F.4th at 650. As long as the Plaintiff alleges that the Defendants contributed in a way that ultimately caused the injury, that is enough to satisfy

Article III standing. *See Wilding*, 941 F.3d at 1126. The Plaintiff does so here. In order to initiate the IDR process, the Defendants must go to a federal website called the "IDR Portal" and fill out certain forms. (*See* Am. Compl. ¶ 44-59). The Amended Complaint alleges that the Defendants misrepresented the eligibility of several items and services to the IDREs through this portal. (*See id.* ¶¶ 79-89). The pleadings also allege that IDREs, while neutral, are influenced by these false misrepresentations in determining whether the dispute is eligible for IDR. (*See id.* ¶¶ 100-02). Once within the process, the Defendants then submitted inflated offers in the arbitration proceedings and the Plaintiff was ultimately damaged from the result. (*See id.* ¶¶ 103-32).

Without the Defendants initiating the IDR process, the Plaintiff would never have been injured under the Defendants' alleged fraudulent scheme. The Plaintiff has also sufficiently alleged that the Defendants' false attestations are, in part, responsible for its injuries. Accordingly, the Court concludes that the Plaintiff has Article III standing to bring its claims.

2. Scope of Judicial Review Under the NSA

The Provider Defendants assert that the Plaintiff cannot obtain judicial review of IDR rulings outside of its claim for vacatur. (*See* Br. in Supp. of Provider Defs.' Mot. to Dismiss, at 23-26 [Doc. 45-1]). The Plaintiff disagrees and makes its argument in three parts. First, it argues that the NSA's limitation on judicial review only applies to an IDRE's *payment* determination,

not *eligibility* determinations and therefore its claims outside of vacatur can proceed. (*See* Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 22-26 [Doc. 50]). Second, the Plaintiff argues that, even if the limitation applies to eligibility determinations, it can assert remedies outside of vacatur. (*See id.* at 26-29). Third, the Plaintiff argues that its remaining claims are not collateral attacks on IDR determinations and should prevail. The Court will address each issue accordingly.

a. Judicial Review of Eligibility Determinations

The United States Constitution provides Congress the power to establish federal courts and limit their jurisdiction. *See* U.S. Const. Art. III, § 1. When a party to litigation argues that a Congressional statute limits a federal court's ability to engage in judicial review, courts apply a "strong presumption" that the statute permits judicial review. *Bourdon v. United States Dep't of Homeland Sec.*, 940 F.3d 537, 545 (11th Cir. 2019) (quoting *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016)). "And, like all other presumptions used in interpreting statutes, it 'may be overcome by 'clear and convincing' indications, drawn from 'specific language' in the statute showing 'that Congress intended to bar review.'" *Id.* (quoting *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016).

As always, "statutory interpretation analysis begins and ends with the statutory text." *United States v. Pate*, 43 F.4th 1268, 1271 (11th Cir. 2022)

(citation modified), *rev'd en banc on other grounds*, 84 F.4th 1196 (2023). Thus, the Court turns to the NSA's limitation on judicial review. The relevant provision states that "[a] determination of a certified [IDRE] under subparagraph (A) . . . shall not be subject to judicial review, except in a case described in any of paragraphs (1) through (4) of Section 10(a) of [the Federal Arbitration Act ("FAA")]. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). Looking at the FAA, the IDRE's determination is judicially reviewable:

> (1) where the award was procured by corruption, fraud, or undue means;
>
> (2) where there was evident partiality or corruption in the [IDRE], or either of them;
>
> (3) where the [IDREs] were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced; or
>
> (4) where the [IDRE] exceeded their powers, or so 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); *id.*

But, as the Plaintiff emphasizes, it is important to understand what actions are permitted under subparagraph (A). The provision states:

> **(5) Payment determination**
>
> **(A) In general**
>
> Not later than 30 days after the date of selection of the

> certified [IDRE] with respect to a determination for a qualified IDR item or service, the [IDRE] shall--
>
> > (i) taking into account [statutory mandated considerations], select one of the offers submitted [by the parties to the IDR proceeding] to be the amount of payment for such item or service . . .; 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. § 300g-111(c)(5)(A).

If the Court ended its inquiry here, the Plaintiff's interpretation of the NSA might be correct. But this ignores a clear outstanding question. Under what authority can an IDRE make eligibility determinations? After all, the NSA does not explicitly grant any entity this right anywhere. But despite its absence in the statute, the Secretary for the Department of Health & Human Services (the "Secretary") still grants IDREs the power to review whether an item or service is eligible for IDR. *See* 45 C.F.R. § 149.510(c)(1)(v).

There are two provisions of the NSA that delegate IDR management to the Secretary. First, the NSA empowers the Secretary to create regulations intended to establish an IDR process consistent with the rules set out within the statute. *See* 42 U.S.C. § 300g-111(c)(2)(A). As the Plaintiff admits, this includes the ability to classify what items and services qualify for the IDR process. *See id.*; (Am. Compl. ¶ 37). Second, the NSA empowers the Secretary

to establish a process to certify IDREs for use in the IDR process. *See* 42 U.S.C. § 300g-111(c)(4). In effect, these two provisions allow the Secretary to create rules and regulations pertaining to the entire IDR process.

As part of these regulations, the Secretary gave IDREs the power to review IDR initiation submissions and determine whether the IDR process can apply to the items or services at-dispute. *See* 45 C.F.R. § 149.510(c)(1)(v). The regulations treat this review as part of the selection process for IDREs, and the NSA allows the Secretary to make rules and regulations. *See* 45 C.F.R. § 149.510(c)(1) (titled "Selection of [IDRE]").

With this understanding, the Court returns to the aforementioned subparagraph (A) within the NSA. The first line requires a selection of the IDRE to occur "with respect to a determination of a qualified IDR item or service" before the IDRE can engage in the payment determination. *See* 42 U.S.C. § 300g-111(c)(5)(A). In other words, for there to be a payment determination under subparagraph (A), *there must be an eligibility determination*. *See id.*; 45 C.F.R. § 149.510(c)(1)(v). Thus, the Court concludes that the NSA's limitation on judicial review applies both to payment determinations and eligibility determinations under the text of the statute.

This reading comports with the "fundamental canon of statutory construction that the words of a statute must be read in their context and with a view to their place in the overall statutory scheme." *F.D.A. v. Brown &*

Williamson Tobacco Corp., 529 U.S. 120, 133 (2000), *superseded by statute on other grounds*, Family Smoking Prevention and Tobacco Control Act of 2009, 123 Stat. 1776, *as recognized in F.D.A. v. Wages and White Lion Invs., L.L.C.*, 604 U.S. 542, 550-52 (2025) (citation modified). Further, the interpretation is consistent with three fundamental principles underlying the Eleventh Circuit's recent decision in *Reach Air Med. Servs. LLC v. Kaiser Found. Health Plan Inc.*, 160 F.4th 1110 (11th Cir. 2025). There, the Court of Appeals considered an IDR dispute between an insurance company and a provider of air ambulance services under the NSA. *Id.* at 1114-15.

First, the Eleventh Circuit acknowledged that the purpose behind the IDR process within the NSA was to create an efficient and streamlined vehicle for disputes that would minimize costs for all parties involved. *Id.* at 1119. Second, the Eleventh Circuit noted that the district court's reading of the NSA, which found that the only grounds for vacatur of an IDR award arose out of 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II), was compelling. *Id.* at 1118 n. 2; *see also Med-Trans Corp. v. Capital Health Plan, Inc.*, 700 F. Supp. 3d 1076, 1085-86 (M.D Fla. 2023) ("[S]ubsection (II) is the final word on reviewability. It contains exclusive language— 'shall not be subject to judicial review, except' —and lists § 10(a) of the FAA as supplying the only grounds for judicial review."). Finally, the Eleventh Circuit interpreted the judicial review provision consistent with the FAA and noted that a court "may vacate an arbitrator's decision 'only in

very unusual circumstances'" and that "'federal courts should defer to an arbitrator's decision whenever possible.'" *Reach Air Med. Servs.*, 160 F.4th at 1119 (quoting *Oxford Health Plans LLC v. Sutter*, 569 U.S. 564, 568 (2013), then quoting *Frazier v. CitiFinancial Corp., LLC*, 604 F.3d 1313, 1321 (11th Cir. 2010)). It is for similar reasons that at least one other court has refused to split eligibility determinations from the ultimate payment determination when determining whether a plaintiff can pursue judicial review of that element outside of the NSA's express limitation. *See, e.g., Anthem Blue Cross Life and Health Ins. Co. v. HaloMD LLC*, 2026 WL 982629, at *9 (C.D. Cal. Apr. 9, 2026) ("An IDRE's payment determination necessarily includes a determination of eligibility.").

But even from a policy perspective, the Plaintiff's statutory interpretation argument fails. If Congress intended to allow attacks on eligibility without judicial review, it ultimately would defeat Congress' intent to create a streamlined dispute resolution process. If eligibility determinations were to be excluded from any judicial review limitation within the NSA, the losing party could simply run to the courts and attempt to subvert the IDRE's determination by mounting a collateral attack. Not only would this result in increased costs to the parties, but it would also defeat any notions of efficiency in the "baseball-style arbitration" that Congress envisioned. Considering the plain text of the statute, Eleventh Circuit case law on the NSA, and Congress'

intent underlying the IDR process, the Court concludes that the NSA's limitation on judicial review applies to both eligibility and payment determinations.

b. Vacatur as an Exclusive Remedy Under the NSA

The Provider Defendants argue that the Plaintiff's exclusive remedy under the NSA's judicial review provision is a request for vacatur and that the Plaintiff must follow the FAA's procedural requirements in pursuing vacatur. (*See* Br. in Supp. of Provider Defs.' Mot. to Dismiss, at 24-36). The Provider Defendants are correct that the Plaintiff's only avenue to challenge the IDRE determination is through vacatur.

The Court reviews the NSA's text once more. The NSA's judicial review provision states that an IDRE's determination "shall not be subject to judicial review, except in a case described in any of paragraphs (1) through (4) of section 10(a) of Title 9." 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). These paragraphs in the FAA discuss certain circumstances in which a court may vacate an award from an arbitrator. *See* 9 U.S.C. §§ 10(a)(1)-(4). It is the only avenue within the NSA by which a private plaintiff may challenge an IDR determination with all other judicial review being prohibited. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II).

This leaves open a key question; what is the scope of the term "judicial review" as used within the NSA's provision? The Fifth Circuit's decisions in

Guardian Flight, L.L.C. v. Med. Evaluators of Tex. ASO, L.L.C., 140 F.4th 271 (5th Cir. 2025) ("*Guardian Flight I*") and *Guardian Flight, L.L.C. v. Med. Evaluators of Tex. ASO, L.L.C.*, 140 F.4th 613 (5th Cir. 2025) ("*Guardian Flight II*") are instructive. There, the plaintiffs asserted that the NSA permits them to seek judicial enforcement of an IDR award outside of the four scenarios listed within the NSA's judicial review provision. *Guardian Flight* I, 140 F. 4th at 275. The court noted that the term "review" within the limitation provision includes the "'[p]lenary power *to direct and instruct an agent or subordinate*, including the right to remand, modify, or vacate any action by the agent or subordinate, or to act directly in place of the agent or subordinate.'" *Id.* (quoting *Review*, Black's Law Dictionary (12th ed. 2024) (emphasis in original)); *see also Judicial Review*, Black's Law Dictionary (12th ed. 2024) ("A court's power to review the actions of other branches or levels of government; esp., the courts' power to invalidate legislative and executive actions as being unconstitutional."). The court understood this definition to include both the power to enforce and to vacate IDR awards. *Guardian Flight I*, 140 F.4th at 275 n. 3, 275-76; *Guardian Flight II*, 140 F.4th at 620.

Understanding that the term encompasses broad powers, the Fifth Circuit held that the NSA specifically foreclosed any private right of action outside of what was permitted in the four circumstances incorporated from the FAA. *See Guardian Flight I*, 140 F.4th at 276. The court noted that the NSA

does not incorporate any other section of the FAA outside of Section 10. *Id.* But the Fifth Circuit noted that in other statutes that incorporate the FAA, Congress has affirmatively incorporated procedural sections of the FAA. *Id.* (briefly discussing 5 U.S.C. § 580(c), where the statute incorporates sections 9 through 13 of the FAA). The Court of Appeals took this difference to mean that "Congress knew how to create a private right of action in the NSA—and has done so elsewhere—but declined to do so." *Id.* Ultimately, and more explicitly in *Guardian Flight II*, the Fifth Circuit concluded that "the NSA explicitly *bars* judicial review of [IDRE] awards, except with respect to four scenarios incorporated from the FAA." *Guardian Flight II*, 140 F.4th at 620 (citing *Guardian Flight I*, 140 F.4th at 274-75).

In summary, the Fifth Circuit's interpretation of the NSA in *Guardian Flight I* and *Guardian Flight II* forecloses a private right of action against an IDRE award unless it meets the four circumstances incorporated from the FAA. If the plaintiff shows that one of the four circumstances exists, then a plaintiff may potentially seek to enforce, vacate, or take any other action relating to the IDRE award. Here, the Plaintiff only brings a single count directly seeking judicial review of the IDRE's determination through vacatur within the whole Amended Complaint. (*See* Am. Compl. ¶¶ 250-54). So, while a plaintiff is not limited to only seeking vacatur under the NSA, the Plaintiff here only challenges the IDRE determination by seeking vacatur. Thus, the

Provider Defendants are technically correct that the Plaintiff's only avenue to attack the IDRE determination is through vacatur.

But the Provider Defendants err in asserting that the Plaintiff is subject to the procedural requirements for asserting vacatur under the FAA. As discussed in *Guardian Flight I*, the NSA only incorporates a single section from the FAA and does not incorporate other sections that may contain procedural requirements for a petition for vacatur. *See Guardian Flight I*, 140 F.4th at 276. At least one court within this Circuit arrived at this same result. In *Med-Trans Corp.*, the court confronted the similar question of whether the NSA incorporated the FAA's procedural rules in challenging the IDRE's determination. 700 F. Supp. 3d at 1082. After reviewing the pertinent provision, the court noted that, "although [the provision] explains the grounds upon which a party may challenge an award, it does not discuss how to raise this challenge." *Id.* at 1083 (emphasis in original). The court then notes that "the NSA does not invoke or discuss §§ 6, 9, 12, or any other sections of the FAA," where the procedural rules could be found. *Id.* Because "'courts must presume that a legislature says in a statute what it means and means in a statute what it says there,'" the court held that the FAA's procedural requirements for vacating an award are not incorporated. *Id.* (quoting *Villareal v. R.J. Reynolds Tobacco Co.*, 839 F.3d 958, 969 (11th Cir. 2016)). On appeal, the Eleventh Circuit ultimately acknowledged and affirmed the district court's

decision, though it did not address the question. *See Reach Air Med. Servs.*, 160 F.4th at 1117-24.

In sum, while the Plaintiff is limited under the Amended Complaint to challenging the IDRE determination under its vacatur count, the Plaintiff is not subject to the FAA's procedural requirements for asserting vacatur. But this conclusion only addresses the Plaintiff's claims that directly attack the IDRE determination. The Plaintiff's RICO claims, state-law claims, and ERISA claim target the Defendants instead of the actual IDRE determination. The Court addresses whether it has subject-matter jurisdiction over those claims next.

c. Collateral Attacks

Acknowledging that the remaining claims are not direct attacks on the IDRE's determination, the Provider Defendants argue that the Court nonetheless does not have subject-matter jurisdiction over those claims because they amount to collateral attacks of the IDRE's determination. (*See* Br. in Supp. of Provider Defs.' Mot. to Dismiss, at 35-36). Generally, "[w]hen reviewing an arbitration award . . . [a court] may revisit neither the legal merits of the award nor the factual determinations upon which it relies." *Wiand v. Schneiderman*, 778 F.3d 917, 926 (11th Cir. 2015). When a claim "'is in substance no more than a collateral attack on the [arbitration] award itself, it is governed by the provisions of the [FAA].'" *Vital Pharms. v. PepsiCo, Inc.*,

528 F. Supp. 3d 1295, 1303 (S.D. Fla. 2021) (quoting *Foster v. Turley*, 808 F.2d 38, 42 (10th Cir. 1986) (brackets in original)). "'A party collaterally attacks an arbitration award by seeking to reverse the outcome in the subsequent proceeding or alleging that the party was harmed by a wrongful act's impact on the award.'" *Id.* (citation omitted). The Court now addresses whether each claim amounts to a collateral attack on the IDRE determination.

i. Civil RICO and Conspiracy (Counts 1 and 2)

Congress enacted RICO to prohibit racketeering activity connected to interstate commerce. *Ray v. Spirit Airlines, Inc.*, 836 F.3d 1340, 1348 (11th Cir. 2016). Under the statute, it is "unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in the conduct of such enterprise's affairs through a pattern of racketeering activity or collection of unlawful debt." 18 U.S.C. § 1962(c). The statute also makes it unlawful for any person to conspire to violate RICO. 18 U.S.C. § 1962(d). While generally a criminal statute, RICO allows a private party to assert a civil cause of action. Indeed, the statute provides that "[a]ny person injured in his business or property by reason of a violation of section 1962 . . . may sue therefor in any appropriate United States district court and shall recover threefold the damages he sustains and the cost of the suit, including a reasonable attorney's fee." 18 U.S.C. § 1964(c).

"To recover [on a RICO claim], a civil plaintiff must establish that a defendant (1) operated or managed (2) an enterprise (3) through a pattern (4) of racketeering activity that included at least two racketeering acts." *Ray*, 836 F.3d at 1348 (citation modified). "A civil plaintiff must also show (1) the requisite injury to business or property, and (2) that such injury was by reason of the substantive RICO violation." *Id.* (citation modified). Additionally, a plaintiff "can establish a RICO conspiracy claim by showing a [defendant] (1) agreed to the overall objective of the conspiracy; or (2) agreed to commit two predicate acts." *In re Takata Airbag Prods. Liab. Litig.*, 524 F. Supp. 3d 1266, 1282 (S.D. Fla. 2021) (citing *Am. Dental Ass'n v. Cigna Corp.*, 605 F.3d 1283, 1293 (11th Cir. 2010)).

On its face, the elements of the two claims have nothing to do with any IDRE determination. The Plaintiff is not bringing any claims against the IDR process or the IDRE themselves but rather is asserting that the Defendants worked together to abuse the IDR process by overwhelming the system with submissions that they knew were ineligible for IDR. (*See* Am. Compl. ¶¶ 166, 168-69, 174-77, 179-84). By engaging in this fraud, the Defendants allegedly enriched themselves at the expense of the Plaintiff. (*See id.* ¶¶ 165, 167, 170, 172, 178, 185-86).

But if the Court reviews the Amended Complaint one level deeper, the

RICO claims reveal their true nature as a collateral attack upon the results of the IDR process. While the Defendants' allegedly fraudulent actions are the focus of the RICO claims, it is their use of the IDR process and the resultant IDRE determination that form the injury that the Plaintiff complains about. A key implication behind the asserted facts is that the IDR items and services are ineligible for IDR, but federal regulations require IDREs to make eligibility determinations as part of the IDR process. *See* 45 C.F.R. § 149.510(c)(1)(v). Additionally, the Plaintiff attacks the IDRE payment determination because it claims that the Defendants submitted inflated amounts as their offers under the IDR process. (*See* Am. Compl. ¶ 185). For the Court to evaluate whether the Defendants' conduct was fraudulent, the Court would have to inquire into both the IDRE's payment and eligibility determination and effectively second-guess the determination of the IDRE in each dispute. And a court cannot revisit legal or factual conclusions made by an arbitrator. *See Wiand*, 778 F.3d at 926.

Another key comes from the damages requested. Under RICO's private right of action, a plaintiff can only recover for damage to business and property. *Med. Marijuana, Inc. v. Horn*, 604 U.S. 593, 601 (2025). In this case, the Plaintiff alleges business and property damage arising out of (1) money owed to the Defendants as a result of the IDR determinations, (2) time and money spent addressing and identifying ineligible IDR items or services, and (3) IDR

administrative fees paid. (*See* Am. Compl. ¶¶ 69, 99, 185-86). While this appears to be three separate categories that would not all be recoverable under an IDRE determination, the way the Amended Complaint was written gives the Plaintiff's game away.

Out of the three categories of damages, the Amended Complaint only lists dollar amounts for two of the categories, while neglecting to provide any information regarding the amount of time and money spent addressing and identifying ineligible IDR items or services. The Amended Complaint describes six specific IDR proceedings where the Plaintiff argues the IDR determination was erroneous and gives the Court a basis to understand the amount of damages it seeks from the Defendants for the alleged fraud they committed. (*See* Am. Compl. ¶¶ 140, 143, 146, 150, 156, 160). The Plaintiff made sure to provide information about the difference between the billed amount and the amount owed and also included how much it paid as to IDR fees. (*Id.*). The Amended Complaint also explains how much IDR administrative fees tend to amount to for each IDR proceeding within the Amended Complaint. (*Id.* ¶ 69). Ultimately, the Plaintiff describes that, in total, the Defendants "illicitly secured nearly $6 million in improper IDR awards" and "obligated BCBSGA to pay over $900,000 in unnecessary IDR-related fees." (*Id.* ¶¶ 113-14).

In contrast, the pleadings lack almost any detail as to the cost to the Plaintiff for its efforts in identifying ineligible IDR items or services. (*See id.*

¶ 99). Even within Counts 1 and 2, the Plaintiff makes no reference to this expense category. While the Court acknowledges doing so is not necessary to adequately plead that certain damages did occur for a federal claim, the Court still notes this discrepancy when ascertaining whether the claims amount to a collateral attack on the IDR award. The great majority of the expenses to the Plaintiff, as alleged in the Amended Complaint, arise out of IDR awards and associated fees to the Defendants. (*See id.* ¶¶ 113-14). The non-refundable administrative fees the Plaintiff seek to recover, in comparison, only amount to $115 per dispute initiation. (*Id.* ¶ 69). Accordingly, it is overwhelmingly clear to this Court that the main purpose of the RICO claims is to collaterally attack the IDR awards.

Even if the Court were not to make this distinction, the Court looks back to the definition of a collateral attack: "[a] party collaterally attacks an arbitration award by seeking to reverse the outcome in the subsequent proceeding or alleging that the party was harmed by a wrongful act's impact on the award." *Vital Pharms.*, 528 F. Supp. 3d at 1303 (citation modified). The Plaintiff's claims squarely fall into both parts of this definition. Not only is the Plaintiff seeking a return of money owed under binding IDRE determinations, it also implicitly asserts that the IDRE made the wrong eligibility determination by accepting the Defendants' IDR initiation documents, and it is seeking return of the associated money. Indeed, if it were true that the items

and services were ineligible for IDR, then the IDRE would have rejected the filing, and the Plaintiff would not have had to pay the associated fees. But for the RICO claims to succeed, the Court would have to second-guess the decision of the IDREs. That is ultimately prohibited.

Therefore, because the Plaintiff intends to use its RICO claims to collaterally attack IDR awards against it and such claims would require the Court to review the findings of the IDRE, the Court finds these claims to be collateral attacks on the IDRE determinations. Accordingly, the Court does not have subject-matter jurisdiction over Counts 1 and 2 of the Complaint.

ii. Georgia RICO (Count 3)

Under Georgia's RICO statute, "[i]t shall be unlawful for any person employed by or associated with any enterprise to conduct or participate in, directly or indirectly, such enterprise through a pattern of racketeering activity." O.C.G.A. § 16-14-4(b). Additionally, it is "unlawful for any person to conspire or endeavor to violate [O.C.G.A. §§ 16-14-4(a) or 16-14-4(b)]." O.C.G.A. § 16-14-4(c). Similar to the federal RICO statute, Georgia's RICO statute allows a private plaintiff to seek treble damages as well as punitive damages. O.C.G.A. § 16-14-6(b). Because Georgia's RICO statute is modeled off the federal RICO statute, federal authority may supplement state case law when there is an absence of case law on any given topic. *See Wylie v. Denton*, 323 Ga. App. 161, 166 n.7 (2013); *Ruiz v. Sewon America, Inc.*, 766 F. Supp. 3d

1251, 1263 (N.D. Ga. 2025); *see also Simpson v. Sanderson Farms, Inc.*, 744 F.3d 702, 705 n.1 (11th Cir. 2014) ("Thus, where a plaintiff fails to state a federal claim under a particular predicate, his state-law claim under that predicate will fail as well.").

Because the statutes are so similar against the same factual background, the Court reaches the same conclusion as it did for the federal RICO claims. The Plaintiff's Georgia RICO claim seeks the same damages and is premised on the Court reviewing the IDRE's eligibility and payment determinations. Thus, the Court must dismiss Count 3 for want of subject-matter jurisdiction.

iii. State and Common-Law Damages Claims (Counts 4-8)

Under Counts 4-8 of the Amended Complaint, the Plaintiff asserts claims arising out of common law and statutory fraud, negligent misrepresentation, theft by deception, and civil conspiracy. (*See* Am. Compl. ¶¶ 202-41). Common law fraud requires proof (1) "that the defendant made the representations;" (2) "that at the time he knew they were false;" (3) "that he made them with the intention and purpose of deceiving the plaintiff;" (4) "that the plaintiff justifiably relied on such representations;" and (5) "that the plaintiff sustained the alleged loss and damage as the proximate result of their having been made." *Greenwald v. Odom*, 314 Ga. App. 46, 52 (2012). Negligent misrepresentation operates similarly, requiring proof of (1) "the defendant's

negligent supply of false information to foreseeable persons, known or unknown;" (2) "such persons' reasonable reliance upon that false information; and (3) "economic injury proximately resulting from such reliance." *Id.* (citation modified). Statutory fraud is the "[w]illful misrepresentation of a material fact, made to induce another to act, upon which such person acts to his injury." O.C.G.A. § 51-6-2(a). Theft by deception occurs when a person "obtains property by any deceitful means or artful practice with the intention of depriving the owner of the property." O.C.G.A. § 16-8-3(a). Finally, "[t]o recover damages based on a civil conspiracy, a plaintiff must show that two or more persons combined 'either to do some act which is a tort, or else to do some lawful act by methods which constitute a tort.'" *McIntee v. Deramus*, 313 Ga. App. 653, 656 (2012). Under each of these counts, the Plaintiff seeks damages for past conduct by the Defendants through each IDR proceeding. (*See* Am. Compl. ¶¶ 211, 218, 225, 235, 241).

The facts underlying each of these claims are similar to those asserted within the RICO counts. Each claim seeks damages for the Defendants' misrepresentations during the IDR process by initiating IDR while knowing that the services and items are ineligible for IDR. But, like the RICO claims, for the great majority of the damages claimed, the Court must review and relitigate the IDR awards by determining whether those items were eligible in the first place. Accordingly, the Court finds that each of these claims amount

to collateral attacks against the IDR awards. Therefore, the Court will dismiss Counts 4-8 for want of subject-matter jurisdiction.

iv. ERISA (Count 11)

The Court now turns to the other federal claim within the Amended Complaint. The Plaintiff brings an ERISA claim for equitable relief against the Defendants seeking to enjoin the Defendants from initiating IDR (1) "without first properly initiating and engaging in open negotiations;" (2) "for beneficiaries of government program exempt from NSA requirements;" (3) "for services subject to Georgia's specified state law;" (4) "for services that BCBSGA denied and thus are not eligible for IDR; and" (5) "for services when [the] Defendants failed to comply with other NSA requirements such as the IDR batching rules and the cooling off period." (Am. Compl. ¶ 262).

ERISA allows certain private parties to bring a civil action "(A) to enjoin any act or practice which violates any provision of this subchapter . . . or (B) to obtain other appropriate equitable relief (i) to redress such violations or (ii) to enforce any provisions of this subchapter." 29 U.S.C. § 1132(a)(3). The NSA has been codified as parallel amendments to three federal statutes with some variations within the Internal Revenue Code, ERISA, and the Public Health Service Act. *Jeffrey Farkas, M.D., LLC v. 1199SEIU Nat'l Benefit Fund*, 2026 WL 891659, at *2 n.5 (E.D.N.Y. Apr. 1, 2026) (citing 26 U.S.C. § 9816(c), then citing 29 U.S.C. § 1185e, then citing 42 U.S.C. § 300gg-111). This includes the

same limitation on judicial review as found in the Public Health Services Act. *See* 29 U.S.C. § 1185e(c)(5)(E)(i)(II); 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). The Plaintiff seeks to enforce the NSA through 29 U.S.C. § 1132(a)(3). (*See* Am. Compl. ¶¶ 258-59).

Several issues exist with the Plaintiff's attempt to do so. As discussed, the NSA amends ERISA and contains its own provision limiting judicial review of an IDRE's determination. *See* 29 U.S.C. § 1185e(c)(5)(E)(i)(II). This provision, like that found in the Public Health Services Act, limits judicial review of an IDRE determination except in four cases found under the FAA. *Id.* The Court has already concluded that this wording limits private action against an IDRE award unless the Plaintiff seeks to vacate the award alleging facts sufficient to fit one of the four FAA categories as discussed in *Guardian Flight I* and *Guardian Flight II*. Thus, assuming that the Plaintiff's ERISA claim challenges the IDRE's determination, the Court does not have subject-matter jurisdiction to review claims for equitable relief under ERISA because the NSA does not allow such a cause of action. It is for similar reasons that district courts across the nation that have addressed the issue have concluded that the NSA, as incorporated in ERISA, does not provide a plaintiff a right to equitable injunctive or declaratory relief. *See, e.g., Conn. Gen. Life Ins. Co. v. East Coast Advanced Plastic Surgery, LLC*, 2026 WL 518442, at *4, *7-9 (S.D.N.Y. Feb. 24, 2026) (denying equitable relief under several statutes,

including ERISA, because the NSA does not permit claims for equitable relief); *East Coast Advanced Plastic Surgery, LLC v. Cigna Health and Life Ins. Co.*, 2025 WL 2371537, at *17-18 (S.D.N.Y. Aug. 14, 2025) (denying declaratory relief under the NSA, as amended within ERISA, because the NSA does not create a private right of action outside of 29 U.S.C. § 1185e(b)(5)(E)).

The Court additionally finds that the Plaintiff's claims for injunctive relief require this Court to review IDRE determinations by a collateral attack. The Court has already concluded that an IDRE's decision as to the eligibility of a dispute is necessary to render a payment determination. And, when looking at the injunctive relief requested by the Plaintiff, it is dependent on facts alleging that the Defendants failed to adequately follow the IDR process. (*See* Am. Compl. ¶¶ 255-62). For the Court to provide injunctive relief to the Plaintiff under ERISA, the Court must review whether the Defendants previously complied with the requirements of the IDR process and determine whether specific items and services were actually eligible for IDR, something that has already been done by the IDRE before making the payment determination in each case. For the Court to grant the Plaintiff relief on this claim, the Court would have to ultimately conclude that the IDREs erred in their conclusion that the IDR items and services were, in fact, eligible for IDR.

It is irrelevant that ERISA provides a private right of action to enforce violations of the subchapter, which includes the NSA. *See* 29 U.S.C.

§ 1132(a)(3); 29 U.S.C. § 1185e. The NSA, which was codified after the statute providing a private right of action in ERISA, specifically exempts IDRE determinations from judicial review. *See* 29 U.S.C. § 1185e(c)(5)(E)(i)(II). The limitation in the NSA controls under two principles of statutory interpretation. First, when a conflict exists between the "broadly sweeping terms of a statute of general application that . . . apply to an entire class, and the narrow but specific terms of a statute that apply to only a subgroup of that class, [a court] avoid[s] conflict between the two by reading the specific as an exception to the general." *ConArt, Inc. v. Hellmuth, Obata + Kassabaum, Inc.*, 504 F.3d 1208, 1210 (11th Cir. 2007). Second, "where two statutory provisions would otherwise conflict, the earlier enacted one yields to the later one to the extent necessary to prevent the conflict." *Id.* Not only was the NSA enacted after ERISA, but the NSA's limitation on judicial review is also far narrower than the private right of action allowed through ERISA. Thus, this limitation can be read as an exception to the broad grant under 29 U.S.C. § 1132(a)(3). *See also Anthem Blue Cross Life and Health Ins. Co.*, 2026 WL 982629, at *10 (holding ERISA's "general jurisdictional language does not supplant the NSA's specific limitations on judicial review").

The Plaintiff also argues that its requests for injunctive relief do not amount to collateral attacks because it seeks to prevent future damages. (Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 31). It is true that the fact that the

Plaintiff seeks future-looking relief is a factor that cuts against a finding that the ERISA claim is a collateral attack. But *every other aspect* of the Plaintiff's claim can be characterized as a collateral attack. *Vital Pharms., Inc.*, 528 F. Supp. 3d at 1303 (quoting *Foster v. Turley*, 808 F.2d 38, 42 (10th Cir. 1986)). The proper inquiry into whether a claim is a collateral attack is whether the claim "seek[s] to reverse the outcome in the subsequent proceeding or *alleg[e] that the party was harmed by a wrongful act's impact on the award.*'" *Id.* at 1303 (citation omitted) (emphasis added). It is this second category where the Plaintiff's ERISA claim lies. The case or controversy brought to the Court arises out of multiple IDRE eligibility determinations. The Plaintiff's Amended Complaint plainly says as such. (Am. Compl. ¶ 261 ("There is an actual case and controversy between BCBSGA and Defendants relating to the claims fraudulently submitted and arbitrated as part of the NSA IDR process.")).

Thus, the Court does not have subject-matter jurisdiction over the ERISA claim for two reasons. First, the Plaintiff's ERISA claim for equitable relief amounts to a collateral attack on the IDR award. Second, the NSA, as incorporated in ERISA, does not provide the Plaintiff with a private right of action for declaratory or injunctive relief.

v. Georgia Deceptive Trade Practices Act (Count 9)

Finally, the Plaintiff asserts a claim for a violation of the Georgia Deceptive Trade Practices Act (the "GDTPA") against the Defendants. (*See*

Am. Compl. ¶ 242-49). Under this statute, the Plaintiff requests the Court to issue an injunction prohibiting the Defendants from making misrepresentations that certain items and services are eligible for IDR in violation of several provisions of the GDTPA. (*See id.*). The relevant provisions state:

> A person engages in a deceptive trade practice when, in the course of his business, vocation, or occupation, he . . . (5) [r]epresents that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits, or quantities that they do not have or that a person has a sponsorship, approval, status, affiliation, or connection that he does not have; . . . (7) [r]epresents that goods or services are of a particular standard, quality, or grade or that goods are of a particular style or model, if they are of another; . . . or (12) [e]ngages in any other conduct which similarly creates a likelihood of confusion or of misunderstanding.

O.C.G.A. § 10-1-372(a). A plaintiff may only seek equitable relief and not money damages under the GDTPA. *Somerson v. McMahon*, 956 F. Supp. 2d 1345, 1358 (N.D. Ga. 2012) (quoting and citing *Akron Pest Control v. Radar Exterminating Co., Inc.*, 216 Ga. App. 495, 498 (1995)).

Similar to the Plaintiff's ERISA claim for injunctive relief, the Court concludes that the Plaintiff's GDTPA claim amounts to a collateral attack. Like the ERISA claim, determining whether the Defendants made false representations requires the Court to revisit the factual determinations made by IDREs in previous disputes. By enjoining such practices, the Plaintiff alleges previous wrongdoing by the Defendants and by extension, the IDREs,

as the actual monetary damage alleged arises from the IDRE determinations and the IDR process. (*See* Am. Compl. ¶¶ 248-49).

Thus, the Court lacks subject-matter jurisdiction over Count 9 of the Amended Complaint. Accordingly, this leaves the Plaintiff's claim for vacatur as the only remaining Count within the Amended Complaint not dismissed by this Court at this stage.

B. Personal Jurisdiction

Defendant HaloMD also brings a Rule 12(b)(2) motion to dismiss the Amended Complaint, arguing that the facts within the Amended Complaint do not establish that the Court has personal jurisdiction over it. (*See* Br. in Supp. of Def. HaloMD's Mot. to Dismiss, at 17-20). "When jurisdiction is based on a federal question arising under a statute that is silent regarding service of process, Rule 4(e) of the Federal Rules of Civil Procedure requires that both assertion of jurisdiction and service of process be determined by state amenability standards, or the state long-arm statute." *Cable/Home Comm. Corp. v. Network Prods., Inc.*, 902 F.2d 829, 855 (11th Cir. 1990). Accordingly, a federal court must engage in a two-part analysis to determine whether the plaintiff has adequately alleged facts sufficient to confer personal jurisdiction. First, a federal court "must examine the jurisdictional issue under the state long-arm statute." *Id.* Second, the court "must ascertain whether or not sufficient 'minimum contacts' exist to satisfy the Due Process Clause of the

Fourteenth Amendment so that 'maintenance of the suit does not offend 'traditional notions of fair play and substantial justice.'" *Id.* (quoting *Int'l Shoe Co. v. Wash.*, 326 U.S. 310, 316 (1945)).

Because the Court sits in Georgia, the Court examines the Georgia long-arm statute first. Relevant to this matter, Georgia's long-arm statute permits Georgia courts to exercise personal jurisdiction over nonresidents if the nonresident "transacts any business within this state." O.C.G.A. § 9-10-91(1). Georgia courts interpret this subsection broadly, and as long as "any business" is conducted in the state by a nonresident, through tangible or intangible contacts, there will be personal jurisdiction over that nonresident. *Diamond Crystal Brands, Inc. v. Food Movers Int'l, Inc.*, 593 F.3d 1249, 1261 (11th Cir. 2010) (citing *Innovative Clinical & Consulting Servs., LLC v. First Nat'l Bank of Ames, Iowa*, 279 Ga. 672, 675-76 (2005)).

Though the Georgia Supreme Court has interpreted its long-arm statute broadly in *Innovative Clinical*, Georgia courts recognize that limits still do exist on the exercise of the long-arm statute. *Cascade Aircraft Management., LLC v. Velazco*, 374 Ga. App. 397 (2025), is instructive on this issue. There, the Velazcos, who were residents of Georgia, purchased a kit from a defendant located in Oregon which consisted of parts and instructions for constructing an experimental amateur-built aircraft. *Id.* at 398. Two years after the plaintiffs' plane was assembled, one of the Velazcos emailed another defendant, an

aircraft and repair facility located in Idaho, regarding issues with the plane and the defendant agreed to repair it. *Id.* During the repairs, the repair facility defendant regularly updated the Velazcos on the progress of the repairs over e-mail and sent the Velazcos 13 invoices for the ongoing repairs. *Id.* After the repairs were made, a defect in the repairs resulted in the death of the Velazcos, and the surviving children of the Velazcos brought suit for wrongful death. *Id.* at 397, 399.

The repair facility defendant challenged the court's personal jurisdiction over it, arguing that it provided only a site-specific service outside of the state. *Id.* at 399. On appeal, the appellate court considered whether the repair facility defendant transacted business sufficient under O.C.G.A. § 9-10-91(1) to confer personal jurisdiction. *Id.* at 401. The court explained that personal jurisdiction only exists on the basis of transacting business in the state if (1) "the nonresident defendant has *purposefully done some act or consummated some transaction in this state*," (2) "the cause of action arises from or is connected with such act or transaction," and (3) "the exercise of jurisdiction by the courts of this state does not offend traditional fairness and substantial justice." *Id.* at 402 (quoting *Amerireach.com v. Walker*, 290 Ga. 261, 269 (2011)) (emphasis in original). The appellate court also noted that, for the purposes of personal jurisdiction analysis, Georgia courts have drawn a "'critical distinction between manufacturers and sellers of a physical product and persons or

entities that . . . provide a site-specific service, even if such service involves or relates to products that will travel to Georgia.'" *Id.* (citation omitted).

Applying these rules to the repair facility defendant, the court noted that the defendant (1) was incorporated in Pennsylvania; (2) had its sole place of business is in Idaho; (3) never had any offices or property in Georgia; (4) never had any employees reside in Georgia; (5) did not have a registered agent in Georgia; and (6) never repaired any planes in Georgia. *Id.* Additionally, the court made sure to note certain facts that showed that the repair facility defendant *never purposefully initiated contact* with Georgia residents. *See id.* at 404-05. Specifically, the repair facility defendant advertised online solely through an informational website and never directed its advertising or any marketing efforts toward Georgia. *Id.* at 404. Also, the repair facility defendant never initiated the contact with the Velazcos about repairing their plane and did not actively seek out their business or any business in Georgia. *Id.* The appellate court found these facts compelling under both Georgia and Supreme Court precedent, since the Velazcos reached out first to the defendant and a website alone is insufficient to establish personal jurisdiction. *Id.* at 404-05 (citing *Walden v. Fiore*, 571 U.S. 277, 284-85 (2014), then citing *Intercontinental Servs. Of Del., LLC v. Kent*, 343 Ga. App. 567, 576 (2017)). Ultimately, because the case involved a "single, isolated transaction with Georgia residents for a site-specific out-of-state service, which did not

place a product in the stream of commerce to Georgia or to any other state," the court reversed the trial court's denial of the repair facility defendant's motion to dismiss for lack of personal jurisdiction. *Id.* at 408-09.

Here, Defendant HaloMD solicits and represents many different types of out-of-network providers who retain Defendant HaloMD to administer the IDR process on their behalf. (*See* Am. Compl. ¶ 121). Because Defendant HaloMD provides a service to the Provider Defendants, as opposed to a product, the Court performs a similar analysis to the court in *Cascade Aircraft Management*. According to the Amended Complaint, Defendant HaloMD is incorporated in Delaware and has its principal place of business in Addison, Texas. (*Id.* ¶ 12). The Plaintiff only makes two allegations as to the issue of personal jurisdiction within its Amended Complaint. First, the Plaintiff contends that Defendant HaloMD "solicits and represents physician practices throughout the United States, including in Georgia." (Am. Compl. ¶ 12). Second, the Plaintiff alleges that Defendant HaloMD has initiated disputes on behalf of the Provider Defendants, who are located in Georgia. (*See id.* ¶¶ 13, 14, 130).

The Court concludes that these two allegations are insufficient to establish a prima facie case of personal jurisdiction under Georgia's long-arm statute under *Cascade Aircraft Management*. The factual allegations within the Amended Complaint fail to establish a prima facie case that Defendant

HaloMD purposefully initiated contact with Georgia for the purpose of engaging in business in Georgia. *See Cascade Aircraft Mgmt.*, 374 Ga. App. at 404-05. The fact that Defendant HaloMD had clients in Georgia is not enough to establish this element of Georgia's long-arm statute. This is because the Amended Complaint lacks several crucial pieces of information necessary to make the determination of whether personal jurisdiction exists over Defendant HaloMD. Specifically, the Amended Complaint lacks (1) how many clients Defendant HaloMD has in Georgia, (2) whether it performs any of its services within Georgia, (3) whether it has any employees or offices in Georgia, (4) whether it has a registered agent in Georgia, (5) how it solicited clients in Georgia, (6) whether it makes initial contact with potential clients, including the Provider Defendants, before creating a business relationship, and (7) whether it has purposefully made business contacts in any other way. Additionally, the Plaintiff's response brief lacks any clarification on any of these issues.[3] This information is important to the personal jurisdiction

[3] The Plaintiff focuses its entire response to personal jurisdiction on the nationwide service of process permitted by RICO and ERISA. (*See* Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 19-20). Generally, where a federal statute permits nationwide service of process, it becomes the statutory basis for personal jurisdiction. *Republic of Panama v. BCCI Holdings (Luxembourg) S.A.*, 119 F.3d 935, 942 (11th Cir. 1997). But in this case, both the RICO and ERISA claims have been dismissed for lack of subject matter jurisdiction. Accordingly, neither basis can provide personal jurisdiction over Defendant HaloMD.

analysis because it matters whether Defendant HaloMD or its clients solicited the business relationship first. *See Cascade Aircraft Mgmt.*, 374 Ga. App. at 406-07.

Without this information, the Court notes several pieces of information that cut against the Plaintiff's argument for personal jurisdiction. First, the Plaintiff directs the Court to certain provisions of Defendant HaloMD's website. (*See* Am. Compl. ¶¶ 120, 122-23, 125). But nowhere in Defendant HaloMD's website, nor in the Plaintiff's allegations, is there any evidence that Defendant HaloMD specifically solicits clients from Georgia, rather than nationally. (*See id.*); *see generally* HaloMD, halomd.com (last visited June 2, 2026). Second, and as to Defendant HaloMD's relationship with the Provider Defendants, the Amended Complaint notes that both Defendant HaloMD and Sound Physicians initiated IDR disputes for the Provider Defendants. (*See* Am. Compl. ¶¶ 130-31). But the Amended Complaint fails to show how many are initiated by Defendant HaloMD in the first place. Instead, the Amended Complaint notes that "many IDRs pursued by the Provider Defendants were initiated by Sound Physicians," which implies that Defendant HaloMD did not have much contact with Georgia. (*See id.* ¶ 131). Third, in detailing the Sound Physicians Enterprise, the Plaintiff largely concedes that Defendant HaloMD has little contact with Georgia. In describing the path of the purported wires, the Plaintiff explains that the wire flows from the state in which the

Defendants operate (which would be Texas for Defendant HaloMD) to IDREs, none of which are located in Georgia. (*See id.* ¶ 133).

To be clear, a plaintiff is not required to provide all of the missing information noted by the Court in order to satisfy Georgia's long-arm statute. Instead, the Court notes several ways in which the Plaintiff could have established personal jurisdiction over Defendant HaloMD under the "transacts business" prong of Georgia's long-arm statute. Because the Plaintiff provided almost no information to establish this prima facie case, and because the Plaintiff's own facts cut against a finding of personal jurisdiction, the Court ultimately concludes that Georgia's long-arm statute fails to confer personal jurisdiction over Defendant HaloMD.

C. Failure to State a Claim

As part of their 12(b)(6) motions, the Defendants argue for dismissal of the Amended Complaint for two reasons. First, the Defendants argue that the Plaintiff's Amended Complaint constitutes a shotgun pleading. (Br. in Supp. of Provider Defs.' Mot. to Dismiss, at 55; *see* Br. in Supp. of Def. HaloMD's Mot. to Dismiss, at 45). Second, the Defendants argue that the Plaintiff fails to state a claim for vacatur, the only remaining count in the Amended Complaint. (Br. in Supp. of Provider Defs.' Mot. to Dismiss, at 28-35; *see* Br. in Supp. of Def. HaloMD's Mot. to Dismiss, at 40-42).

1. Shotgun Pleading

"A shotgun pleading is a complaint that violates either Federal Rule of Civil Procedure 8(a)(2) or Rule 10(b), or both." *Barmapov v. Amuial*, 986 F.3d 1321, 1324 (11th Cir. 2021) (citation omitted). "Shotgun pleadings are flatly forbidden by the spirit, if not the letter, of these rules because they are calculated to confuse the enemy, and the court, so that theories for relief not provided by law and which can prejudice an opponent's case, especially before the jury, can be masked." *Id.* (citation modified). There are four rough categories of shotgun pleadings. *See Weiland v. Palm Beach Cnty. Sheriff's Off.*, 792 F.3d 1313, 1321 (11th Cir. 2015). The category relevant to this action is "the relatively rare sin of asserting multiple claims against multiple defendants without specifying which of the defendants are responsible for which acts or omissions, or which of the defendants the claim is brought against." *Id.* at 1323.

The Defendants argue that the Court should dismiss the Amended Complaint as a shotgun pleading on this ground. (Br. in Supp. of Provider Defs.' Mot. to Dismiss, at 55; *see* Br. in Supp. of Def. HaloMD's Mot. to Dismiss, at 45). The Court disagrees. "A dismissal under Rules 8(a)(2) and 10(b) is appropriate where it is virtually impossible to know which allegations of fact are intended to support which claim(s) for relief." *Weiland*, 792 F.3d at 1326 (citation modified). No such virtual impossibility exists here.

Throughout the Amended Complaint, the general facts detail most of what the Defendants must know to defend each claim. When explaining the fraudulent scheme, the Plaintiff divides each group of Defendants separately within the enterprise and explains their role in the overall wrongdoing. (*See* Am. Compl. ¶¶ 115-32). Furthermore, the Amended Complaint details six IDR proceedings and explains which of the Defendants was involved in each proceeding. (*See id.* ¶¶ 135-60). In effect, the reason why the Amended Complaint does not detail which Defendants are involved in each claim is because all Defendants are responsible for their respective roles. The Plaintiff has identified them sufficiently. Therefore, the Court finds no reason to dismiss this Amended Complaint as a shotgun pleading. *See Farr v. CTG Hosp. Grp.*, 2026 WL 613036, at *3-4, *20-21 (N.D. Ga. Mar. 4, 2026) (holding that a complaint was not a shotgun pleading despite its poor formatting, length, and repetition of facts that rendered the complaint over five-hundred paragraphs long because, in part, the plaintiff identified the role of each defendant adequately).

2. Vacatur (Count 11)

The Court now turns to the remaining count in the Amended Complaint. In order for the Plaintiff to state a claim for vacatur under the NSA, the factual allegations must arise out of one of four categories: (1) "the award was procured by corruption, fraud, or undue means;" (2) "there was evident partiality or

corruption in the arbitrators;" (3) "the arbitrators were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy, or of any other misbehavior by which the rights of any party have been prejudiced;" or (4) "the arbitrators exceeded their powers, or so imperfectly executed them that a mutual, final, and definite award upon the subject matter submitted was not made." *See* 9 U.S.C. §§ 10(a)(1)-(4); 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II).

Despite the incorporation of these categories into the NSA, the terms used within these categories in the FAA retain their meaning as interpreted by this Circuit. *Reach Air Med. Servs.*, 160 F.4th at 1118. This is because, "when Congress adopts a new law that incorporates sections of a prior law, Congress normally can be presumed to have had knowledge of the interpretation given to the incorporated law, at least insofar as it affects the new statute." *Id.* (citation modified). Furthermore, "when administrative and judicial interpretations have settled the meaning of an existing statutory provision, repetition of the same language in a new statute indicates, as a general matter, the intent to incorporate its administrative and judicial interpretations as well." *Id.* (quoting *Bragdon v. Abbott*, 524 U.S. 624, 645 (1998) (citation modified)). Accordingly, the Court will apply existing interpretations of each category under the FAA and determine whether each of the Plaintiff's claims fit under this framework. But, as discussed in the

Court's analysis of subject-matter jurisdiction, the Court will not apply the procedural requirements under the FAA with regard to a petition for vacatur. *See* Discussion III.A(2)(b), *supra*, at 27-28.

Turning to the Plaintiff's Amended Complaint, the Court need not analyze all four categories. Under the Plaintiff's claim for vacatur, the Plaintiff only asserted that the underlying facts met two of the four categories for vacatur: (1) fraud and undue means and (2) that the IDREs exceeded their authority. (*See* Am. Compl. ¶¶ 250-54); *see* 9 U.S.C. §§ 10(a)(1), (4).[4] In any case, the alleged facts do not sufficiently state a claim to argue that the IDREs were partial or that they committed any misconduct. Furthermore, there are no factual allegations that the IDREs engaged in any corrupt behavior that affected their rights. Thus, the Court will focus its analysis on whether the Plaintiff adequately alleges facts sufficient to show fraud or that the IDREs

[4] In the Plaintiff's surreply brief, the Plaintiff argues that the Amended Complaint states a claim that the "the [IDREs] were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy, or of any other misbehavior by which the rights of any party have been prejudiced." (Pl.'s Surreply Br. in Opp'n to Defs.' Mots. to Dismiss, at 5 [Doc. 74]); *see* 9 U.S.C. § 10(a)(3). This is the first time the Plaintiff affirmatively invokes this subsection as a basis for their vacatur claim. Not only is there no mention of this subsection under Count 10 of the Amended Complaint, but there is also no affirmative mention of the subsection within the Plaintiff's response briefing. It is a well-established rule that "arguments raised for the first time in a reply brief are not properly before a reviewing court." *Herring v. Sec'y, Dep't of Corr.*, 397 F.3d 1338, 1342 (11th Cir. 2005) (citation modified). The Court declines to address the argument for this reason.

exceeded their authority.

a. § 10(a)(1): Fraud and Undue Means

Under the NSA, judicial review of an IDRE determination is permitted where a plaintiff adequately pleads that an "award was procured by corruption, fraud, or undue means." 9 U.S.C. § 10(a)(1); 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). The Eleventh Circuit addresses the issues of fraud and undue means separately. *See Reach Air Med. Servs.*, 160 F.4th at 1121-24. The Court does here as well.

i. Fraud

To state a claim for fraud, the Eleventh Circuit applies a three-part test: (1) "'[t]he movant must establish the fraud by clear and convincing evidence;'" (2) "'the fraud must have not been discoverable upon the exercise of due diligence prior to or during the arbitration;'" and (3) "'the person seeking to vacate the award must demonstrate that the fraud materially related to an issue in the arbitration.'" *Reach Air Med. Servs.*, 160 F.4th at 1121 (citation omitted).

To establish fraud by clear and convincing evidence, a plaintiff must satisfy the heightened pleading standards of Federal Rule of Civil Procedure 9(b). *Id.* Rule 9(b) states that, "[i]n alleging fraud or mistake, a party must state with particularity the circumstances constituting fraud or mistake. Malice, intent, knowledge, and other conditions of a person's mind may be

alleged generally." Fed. R. Civ. P. 9(b). As interpreted by this Circuit, Rule 9(b):

> plainly requires a complaint to set forth (1) precisely what statements or omissions were made in which documents or oral representations; (2) the time and place of each such statement and the person responsible for making . . . them; (3) the content of such statements and the manner in which they misled the [IDRE]; and (4) what the defendant obtained as a consequence of the fraud.

Reach Air Med. Servs., 160 F.4th at 1121.

On this first prong, the Plaintiff argues that it has adequately pled fraud through allegations that the Defendants made false attestations of IDR eligibility. (Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 29). The Court emphatically disagrees under Rule 9(b). This is partly because the Plaintiff seeks vacatur of thousands of IDR determinations based on general allegations. (*See* Am. Compl. ¶ 112). Out of these thousands, the Plaintiff only makes somewhat detailed allegations about six of these proceedings. (*See id.* ¶¶ 135-60). Whether it be the factual allegations underlying those six proceedings or those supporting the remaining thousands, the Plaintiff fails to satisfy Rule 9(b).

For example, the Court looks to the portion of the Amended Complaint that alleges that the Defendants knowingly made false attestations of eligibility to initiate the IDR process. (*See id.* ¶¶ 74-89). In an attempt to summarize thousands of misrepresentations, the Plaintiff lists several reasons why the items submitted for IDR could be ineligible and its effort to let the

Defendants know of this fact for each IDR proceeding prior to the arbitration. (*Id.* ¶¶ 74, 79-84). This showing alone is not enough to satisfy the requirements of Rule 9(b).

First, the Plaintiff fails to show precisely *what* statements or omissions were made by the Defendants to the IDRE and the content of those statements. Within the Amended Complaint, the Plaintiff acknowledges that the attestations through the IDR Portal require the entry of certain information that is more than simply checking off a box. Not only does a user of the IDR Portal agree to terms and conditions, but he or she must also answer certain "Qualification Questions" to determine an item or service's eligibility for IDR and attest to the accuracy of those responses. (*Id.* ¶¶ 48-55). It is at this point where the misrepresentations begin according to the Plaintiff. (*Id.* ¶¶ 79-89). While the pleadings show us where the misrepresentations are submitted, the Plaintiff has not explained what erroneous information was entered into the IDR Portal to mislead the IDRE in the first place, outside of vague assertions. *See Reach Air Med. Servs.*, 160 F.4th at 1122 (finding that certain statements lacked specificity to allege fraud under Rule 9(b) because the complaint did not provide further details about how the representation was made and whether such representations were on the same or different documents); *Hagerma v. Wells Fargo Advisors Fin. Network LLC*, 2026 WL 874172, at *3 (M.D. Fla. Mar. 31, 2026) ("[The plaintiff] refers vaguely to 'fraud perpetrated by the

opposing party' . . . He does not specify the statement or omission that qualifies as 'fraud,' and thus his argument fails for lack of specificity alone." (citation omitted)).

Second, the Plaintiff largely omits the time at which the Defendants made each misrepresentation. While the Plaintiffs loosely allege that the conspiracy between the Defendants began "no later than January 2024," (Am. Compl. ¶ 72), Rule 9(b) requires the time and place to be alleged *for each statement*. *See Reach Air Med. Servs.*, 160 F.4th at 1121. The Plaintiff fails to do so here. *See id.* at 1122 ("It says only that the EOB was issued on April 21, 2022. The Complaint does not . . . allege the time of the second statement, only that Kaiser submitted a different and lower QPA").

Third, the Plaintiff omits which Defendant made each fraudulent misrepresentation for each IDR proceeding. The Amended Complaint contains only vague allegations of which individual initiated each proceeding. This is important here because it is not clear which Defendant filed each IDR proceeding since both Defendant HaloMD and Sound Physicians initiated IDR proceedings on behalf of the Provider Defendants. (*See* Am. Compl. ¶¶ 130-31). Further, under the allegations of the Amended Complaint, both parties were responsible for fraudulent misrepresentations. (*See id.*). Thus, it becomes necessary to specify which Defendant made which misrepresentation under Rule 9(b).

Fourth, the Plaintiff fails to adequately allege facts that show how the representations misled the IDRE. Indeed, the Plaintiff itself admits that it had the opportunity to object or otherwise respond to the Defendants' misrepresentations during specific IDR proceedings. (*See id.* ¶¶ 142, 145, 149, 155, 159). It follows that this option exists in all IDR proceedings for the Plaintiff and that it can fairly supplement missing information to the IDRE where the Defendants misrepresent certain facts.

To this point, the Plaintiff argues that it has made an adequate showing because, despite its opportunity to object, the Amended Complaint shows no indication that "the arbitrators had all the material information before them" and actually addressed the disputed misrepresentation. (Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 29). It also argues that the IDREs did not issue written eligibility decisions, much less decisions addressing any fraud claims. (*Id.*). But it is well-settled in this Circuit that an arbitrator need not issue a written opinion and that the decision itself is enough. *Reach Air Med. Servs.*, 160 F.4th at 1120 (citation omitted). It also makes little sense for the Court to question whether the IDRE had all the material information before them when the Plaintiff had the opportunity to object and be heard by the IDRE on the issue of eligibility. Thus, the Amended Complaint fails to meet the strict pleading standards of Rule 9(b) in order to allege fraud. *See id.* at 1122 (holding that the plaintiff failed to meet Rule 9(b) to allege fraud, in part, because

"Reach was not misled by Kaiser's figure at all")

The six IDR proceedings described in detail in the Amended Complaint also meet this same fate. To be clear, the Plaintiff could satisfy the requirements of Rule 9(b) to the extent of explaining (1) when the misrepresentations were made, (2) who made the misrepresentations, and (3) the content of the specified misrepresentations. For example, the Court looks at IDR Proceeding DISP-1317978 to illustrate. (*See id.* ¶¶ 135-40). The pleadings show that, in order to initiate IDR proceedings, an individual must answer certain Qualification Questions and attest to the accuracy of those statements. (*Id.* ¶¶ 48-55). Accordingly, the Plaintiff alleges that IDR was initiated on May 9, 2024, implying that those questions had been answered on the IDR Portal. (*Id.* ¶ 138). The Plaintiff explains that HaloMD answered those questions on behalf of the Provider Defendants. (*Id.*). The Plaintiff also alleges that HaloMD made two false representations as to the eligibility of the items for IDR as the services were rendered to a Medicaid member and the claim was time-barred. (*Id.*).

Nonetheless, the IDR proceedings fail to meet Rule 9(b) because the Plaintiff cannot show how the misrepresentations misled the IDRE like the other thousands of IDR proceedings. In fact, the reasoning is far stronger here than in the thousands of IDR proceedings. For the six proceedings, the Plaintiff had the opportunity to object and make its case for why the Defendants'

representations were incorrect. (*See id.* ¶¶ 142, 145, 149, 155, 159). Nonetheless, after hearing the arguments, the IDRE still made the Plaintiff pay amounts to the Defendants, implicitly holding there to be eligibility in five of the disputes and explicitly holding as such in one of the disputes. (*See id.* ¶¶ 139, 143, 146, 150, 156, 160). Accordingly, the Plaintiff fails to show how the Defendants' misrepresentations misled the IDRE. Because the Plaintiff cannot show by clear and convincing evidence that the Defendants committed fraud in any of the IDR proceedings, the Plaintiff cannot seek vacatur under the NSA on the basis of fraud. *See also Anthem Blue Cross Life and Health Ins. Co.*, 2026 WL 982629, at *7-8 (holding, following Ninth Circuit precedent and confronted with similar facts, that the plaintiff "pleaded itself out of court" for vacatur based on fraud because the "fraud" was known during the IDR and disclosed to the IDRE).

The Court notes that the Plaintiff argues that it loses a lot of IDR arbitrations. For example, it says that of the 228 IDRs the Defendants initiated on May 3, 2024, the Plaintiff lost 192. It cites CMS data that Providers prevailed in 85% of IDR payment determinations. It is highly improbable to infer from these facts that there is a vast conspiracy of providers and IDREs that have conspired to defraud the Plaintiff of millions of dollars in thousands of NSA IDR proceedings over many years. It is highly plausible to infer that the Plaintiff engages in a consistent practice of submitting lowball offers to

out-of-network providers in an effort to maximize its profits. This conclusion is reinforced by the generality and conclusory nature of the Plaintiff's fraud claims and failure to comply with Rule 9(b) as noted above.

ii. Undue Means

To state a claim that a defendant procured an arbitration award through undue means, a plaintiff must allege facts adequate to sustain an action "equivalent in gravity to corruption or fraud, such as a physical threat to an arbitrator or other improper influence." *Reach Air Med. Servs.*, 160 F.4th at 1123-24 (citation modified). The Plaintiff fails to do so here. The Amended Complaint alleges minimal facts that convince the Court that there was any improper influence on the IDREs. All the Plaintiff alleges to this prong is that, under the NSA, the IDREs have a financial incentive not to dismiss disputes for ineligibility and that the Defendants exploit this flaw in the system by misrepresenting eligibility. (*See* Am. Compl. ¶ 100).

It is difficult to argue how even the misuse of a mechanism to compensate IDREs prescribed by the NSA is tantamount to undue means on the level of "physical threat to an arbitrator." *See Reach Air Med. Servs.*, 160 F.4th at 1124 (clarifying that the allegations must meet undue means on the level of "physical threat to an arbitrator"). And it is not even to the level of allegations putting forth "bad faith or bribery." *See Anthem Blue Cross Life and Health Ins. Co.*, 2026 WL 982629 at *8 (clarifying that the allegations must

meet undue means on the level of "bad faith or bribery). In any case, even if any misrepresentations were presented to the IDREs, the Plaintiff had ample opportunity to object prior to an eligibility determination. (*See id.* ¶¶ 142, 145, 149, 155, 159). And the NSA and corresponding federal regulations contain procedures to ensure the neutrality of the IDREs prior to the initiation of any dispute, allowing any party to object to the selection of a certain IDRE. *See* 42 U.S.C. § 300gg-11(c)(4)(F); 45 C.F.R. § 149.510(c)(1). If the Plaintiff is unhappy as to the system in place within the federal statute, Congress can provide the remedy, not the Defendants or the Court. Accordingly, the Plaintiff fails to allege sufficient facts to allege that the IDR award was procured by undue means.

b. § 10(a)(4): Exceeding IDRE Authority

"Under Section 10(a)(4), an arbitration award may be unenforceable, but only when [an] arbitrator strays from interpretation and application of the agreement and effectively dispenses his own brand of industrial justice." *Reach Air Med. Servs.*, 160 F.4th at 1119 (quoting *Stolt-Nielsen S.A. v. AnimalFeeds Int'l Corp.*, 559 U.S. 662, 671 (2010) (citation modified)). "While a federal court may vacate an arbitration award when it exceeds the scope of the arbitrator's authority, few awards are vacated because the scope of the arbitrator's authority is so broad." *Id.* (citation modified). "It is not enough to show that the arbitrator committed an error—or even a serious error." *Id.* at 1119-20 (quoting

Oxford Health Plans LLC v. Sutter, 569 U.S. 564, 569 (2013) (citation modified)). "Rather, only if the arbitrator acts outside the scope of his authority—issuing an award that simply reflects his own notions of economic justice—may a court overturn his determination." *Id.* at 1120 (quoting *Oxford Health Plans*, 569 U.S. at 569 (citation modified)). A court's sole question under Section 10(a)(4) is "whether the arbitrator (even arguably) performed the assigned task, not whether she got the outcome right or wrong." *Id.* (citation modified).

The Eleventh Circuit has only recognized a few examples of instances in which an arbitrator exceeds his authority under Section 10(a)(4):

> awarding relief on a statutory claim when the arbitration agreement allows only for arbitration of contractual claims, *see Paladino v. Avnet Comput. Techs., Inc.*, 134 F.3d 1054, 1061 (11th Cir. 1998); failing to give preclusive effect to an issue already (and properly) decided by a court, *see Kahn v. Smith Barney Shearson Inc.*, 115 F.3d 930, 933 (11th Cir. 1997); and forcing a party to submit to class arbitration without a contractual basis for concluding that the party agreed to it, *see Stolt-Nielsen*, 559 U.S. at 684.

Reach Air Med. Servs., 160 F.4th at 1120 (citation omitted).

The Plaintiff argues that, under Section 10(a)(4), the IDREs exceeded their powers by resolving disputes that were ineligible for IDR since the NSA only permits IDREs to issue payment determinations for a qualified IDR item or service. (Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 28-29). It argues that, by making payment determinations on ineligible items and services, the

IDREs made determinations on items that they lacked the authority to decide. (*Id.* at 29). The argument lacks merit. The federal regulations corresponding to the NSA explicitly grant IDREs the right to make determinations as to whether IDR items and services are eligible under the NSA. *See* 45 C.F.R. § 149.510(c)(1)(v). It follows, then, that the IDREs have the power to determine their own jurisdiction and continue to make a payment determination.

It is irrelevant whether the Plaintiff makes allegations that the items were ineligible for IDR as the IDRE (1) reviewed the Defendants' submissions, (2) took into account the Plaintiff's objections, (3) made a jurisdictional determination, then (4) made a payment determination, as procedurally required. The sole question is whether the IDREs performed the task. *Reach Air Med. Servs.*, 160 F.4th at 1120. The factual allegations show that they did. Because it is not the role of the Court to determine whether a jurisdictional determination is right or wrong, the Court concludes that the Plaintiff fails to state a claim for vacatur under Section 10(a)(4). Accordingly, Count 11 is dismissed.

D. Leave to Amend

Generally, the dismissal of a complaint with prejudice bars a plaintiff from amending his pleadings and from pursuing the same action against the same defendants. *See McNair v. Johnson*, 143 F.4th 1301, 1306 (11th Cir. 2025) (explaining the consequences of a dismissal without prejudice).

"Dismissal with prejudice is proper when a more carefully drafted complaint would not state a claim for relief." *Arthur v. JP Morgan Chase Bank*, NA, 569 F. App'x 669, 686 (11th Cir. 2014).

District courts have discretion in determining whether to allow a plaintiff to amend his pleadings. *See Pinnacle Advert. and Mktg, Grp., Inc. v. Pinnacle Advert. and Mktg. Grp., LLC*, 7 F.4th 989, 999-1000 (11th Cir. 2021) (stating that the standard of review for a district court's decision to grant leave to amend is abuse of discretion); *but see Eiber Radiology, Inc. v. Toshiba America Medical Sys., Inc.*, 673 F. App'x 925, 929 (11th Cir. 2016) (noting that a district court's discretion to dismiss a complaint without leave to amend is "severely restricted" by Federal Rule of Civil Procedure 15(a)(2), which requires leave to amend be freely given when justice so requires). The Eleventh Circuit generally encourages district courts to exercise their discretion in favor of allowing plaintiffs to amend their pleadings. *Id.* at 1000.

Here, the Plaintiff requests leave to amend its factual allegations to cure any deficiencies present within their Amended Complaint. (*See* Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 73-74). But justice is not served by prolonging the inevitable. The dismissal of claims for lack of subject-matter jurisdiction is largely premised on their character as collateral attacks on the IDRE determinations, no matter whether the Plaintiff sought damages or equitable relief. No additional modifications will imbue life into these claims.

Similarly, the Plaintiff cannot revive the vacatur claims against the Defendants. Although the Plaintiff *could* supplement specific facts that could satisfy portions of the Rule 9(b) standard to plead fraud, the Plaintiff pled itself out of Court by acknowledging that it had the opportunity to object to these misrepresentations before the IDRE. No supplementation of facts changes this admission. As to its failure to state claims for the remaining categories, there is no indication that the Plaintiff could supplement the facts provided in the Amended Complaint. This is most apparent from the fact that the Plaintiff's response brief lacks any mention of undue means as a ground for vacatur and summarizes its argument for "exceeds authority" in a single paragraph. (*See* Pl.'s Br. in Opp'n to Defs.' Mots. to Dismiss, at 28-29). Accordingly, the Amended Complaint will be dismissed with prejudice because amendment is futile.

IV. Conclusion

For the foregoing reasons, the Provider Defendants' Motion to Dismiss [Doc. 45] and Defendant HaloMD's Motion to Dismiss [Doc. 47] are GRANTED. The Amended Complaint is dismissed with prejudice for the reasons stated in this Order. The Clerk is directed to enter judgment in favor of the Defendants and close the case.

SO ORDERED, this 10th day of July, 2026.

THOMAS W. THRASH, JR.
United States District Judge

EXHIBIT B

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF GEORGIA

BLUE CROSS BLUE SHIELD HEALTHCARE PLAN OF GEORGIA, INC., Plaintiff, v. HALOMD, LLC, HOSPITALIST MEDICINE PHYSICIANS OF GEORGIA – TCG, PC, AND SOUND PHYSICIANS EMERGENCY MEDICINE OF GEORGIA, P.C., Defendants.	Case No: 1:25-cv-02919-TWT AMENDED COMPLAINT DEMAND FOR JURY TRIAL

Plaintiff Blue Cross Blue Shield Healthcare Plan of Georgia, Inc. ("BCBSGA") hereby brings suit against HaloMD, LLC ("HaloMD") and Hospitalist Medicine Physicians of Georgia – TCG, PC and Sound Physicians Emergency Medicine of Georgia, P.C. (collectively, the "Provider Defendants"; and, together with HaloMD, "Defendants" and members of the "Sound Physicians Enterprise"). Based on personal knowledge as to the facts pertaining to its investigation, and upon information and belief as to all other matters, BCBSGA alleges as follows:

INTRODUCTION

1. Congress enacted the No Suprises Act ("NSA") to protect Americans from abusive healthcare providers who engaged in the financially devasting practice of "surprise billing" for out-of-network services. For patients,

the NSA provided significant protection against surprise bills. For the Sound Physicians Enterprise, however, the NSA provided the opportunity for fraud, enabling them to profit unlawfully at the expense of health plans like BCBSGA and its members.

2. Beginning no later than January 2024, HaloMD knowingly conspired with the Provider Defendants to flood the NSA's independent dispute resolution ("IDR") process with thousands of out-of-network services furnished by the Provider Defendants (who also exploited claims themselves) against BCBSGA that they knew were ineligible for the IDR process, resulting in millions of dollars in ill-gotten gains.

3. In furtherance of their scheme, Defendants: (1) use interstate wires to knowingly submit false and fraudulent attestations of eligibility for services and disputes that they know are ineligible for the IDR process, (2) strategically initiate massive volumes of IDR disputes simultaneously against BCBSGA, and (3) improperly inflate payment offers that far exceed what the Provider Defendants could have received from patients or health plans in a competitive market—and sometimes exceed the Provider Defendants' *own billed charges*.

4. Critically, Defendants knowingly made false statements, representations, and attestations at multiple stages throughout the IDR process. To access the IDR process in the first instance, Defendants falsify key elements as part of the initiation process, such as the type of health plan at issue, negotiation dates, and supporting documentation, in order to bypass mandatory regulatory

safeguards intended to filter out such ineligible disputes. Then, having fraudulently obtained access to the IDR process, they falsely attest that the disputes "are qualified item(s) and/or service(s) within the scope of the Federal IDR process." These misrepresentations are necessary to access the IDR process in the first instance—and to force payors like BCBSGA into costly arbitration proceedings that the system was designed to filter out.

5. This conduct is not isolated or incidental. It is the product of a coordinated effort by HaloMD and the Provider Defendants, who knowingly conspired to exploit the IDR process and fraudulently obtain exorbitant payments for out-of-network services at the expense of BCBSGA and other health care payors.

6. At the center of the scheme is HaloMD, a company that operates "[w]ith an exclusive focus on Independent Dispute Resolution (IDR)[.]" *See* https://halomd.com. HaloMD conspired with the Provider Defendants to systematically abuse the IDR process by flooding it with knowingly ineligible and inflated disputes. Critically, HaloMD does not itself provide services or bill claims; it relies on the Provider Defendants to supply the underlying claims and services that are then submitted for IDR, while HaloMD supplies the automation and the artificial intelligence infrastructure that enables the scheme to operate "at scale." *See id.*

7. The Provider Defendants consist of entities affiliated with Sound Physicians, a national hospital staffing company with a documented history of

overbilling federal healthcare programs. Rather than initiating IDR for eligible out-of-network services, the Provider Defendants, acting through and in concert with HaloMD, have knowingly flooded the IDR system with patently ineligible and inflated disputes.[1]

8. Together, HaloMD and the Provider Defendants have corrupted the IDR process for financial gain. Since no later than January 2024, Defendants have initiated thousands of knowingly ineligible disputes against BCBSGA. Indeed, ***most of the disputes on which Defendants received an IDR payment determination were on their face ineligible for the process***. Because these disputes on their face did not qualify for IDR, Defendants made false statements, representations, and attestations to fraudulently bypass the IDR safeguards. Through this scheme, Defendants fraudulently obtained millions of dollars in improper IDR awards from these ineligible disputes.

9. But Defendants' fraud and abuse did not stop at ineligible disputes. Defendants also deliberately exploited the IDR system to extract hundreds of awards that ***exceeded the amount the Provider Defendants had billed BCBSGA***, let alone the actual cost or market value of their services. Defendants' payment offers on ineligible disputes alone were ***more than 1,015%*** of the Qualifying

[1] As alleged in this Amended Complaint, HaloMD and the Provider Defendants knowingly and intentionally acted in concert and conspired with others who are not currently named as Defendants; namely, Sound Physicians, as well as other persons and entities, known and unknown, being persons employed by and associated with the Sound Physicians Enterprise, to conduct and participate, directly and indirectly, in the conduct of the enterprise's affairs, including the wrongful acts of wire fraud alleged herein.

Payment Amount ("QPA"), which generally represents the median in-network rate for the same service.

10. Defendants' fraudulent scheme (referred to herein as the "NSA Scheme") violated the federal Racketeering Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1961 *et seq.*, as well as other federal and state laws, as set forth herein. BCBSGA brings this action against Defendants—who, together with other co-conspirators, known and unknown, conspired to engage in the NSA Scheme, as set forth herein—to end Defendants' ongoing criminal enterprise and recover resulting damages.

THE PARTIES

11. Plaintiff BCBSGA is a Georgia corporation with its principal place of business in Atlanta, Georgia. BCBSGA is licensed as a Health Maintenance Organization in Georgia.

12. Defendant HaloMD is a Delaware limited liability company with a business address at 5080 Spectrum Drive, Suite 1100E, in Addison, Texas. HaloMD solicits and represents physician practices throughout the United States, including in Georgia.

13. Defendant Hospitalist Medicine Physicians of Georgia – TCG, PC ("HMP"), is a Georgia Professional Corporation. Its principal place of business is 120 Brentwood Commons Way, Suite 510, in Brentwood, Tennessee. Anthony Briningstool is its Chief Executive Officer, Chief Financial Officer, and Secretary.

14. Defendant Sound Physicians Emergency Medicine of Georgia, P.C. ("SPEMG"), is a Georgia Professional Corporation. Like the other Provider Defendant, its principal place of business is 120 Brentwood Commons Way, Suite 510, in Brentwood, Tennessee, and Anthony Briningstool is its Chief Executive Officer, Chief Financial Officer, and Secretary.

15. Upon information and belief, the Provider Defendants are subsidiaries and/or corporate affiliates of Sound Physicians, which advertises itself as a multi-specialty practice group with "over 4,000 physicians, advanced practice providers, CRNAs, and nurses" that partners with more than 400 hospitals across the United States and manages approximately six percent of all acute medical hospitalizations. *See* https://soundphysicians.com/about/why-sound/.

16. The Provider Defendants were all incorporated by persons located at 1498 Pacific Ave., Suite 400, in Tacoma, Washington 98402, which is also Sound Physicians' corporate headquarters. *See* https://www.soundphysicians.com/about/contact/. For example, Lindsay Vaughan, Associate General Counsel of Sound Physicians, served as the incorporator for Hospitalist Medicine Physicians of Georgia – TCG, PC, and has signed annual registration forms filed with the Georgia Secretary of State for all Provider Defendants.

JURISDICTION AND VENUE

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

18. Venue is proper in this District under 28 U.S.C. § 1391 because a substantial part of the events or omissions giving rise to the claims occurred in this District and because BCBSGA is headquartered in this District and has suffered injury here.

BACKGROUND

I. BCBSGA Administers Health Care Claims and IDR Proceedings for Members, Plan Sponsors, Government Programs, and BlueCard Plans.

19. BCBSGA offers a broad range of health care and related plans, insurance contracts, and services to its plan sponsors, members, and insureds who enroll in a BCBSGA plan, including fully insured and self-funded employee health benefit plans. BCBSGA processes tens of millions of health care claims annually and is responsible for ensuring that claims are paid accurately and in accordance with plan terms. As a critical part of that responsibility, BCBSGA is authorized to undertake efforts to safeguard and protect itself, its members and

insureds, and the various employer group health plans it administers, from fraud, waste, and abuse—like the fraud Defendants are perpetrating here.

20. BCBSGA administers claims and benefits for several different types of health care plans relevant to this Amended Complaint.

21. First, BCBSGA issues and administers health plans and insurance contracts, where BCBSGA collects premiums and is financially responsible for any benefits paid out under the plan terms or pursuant to law. BCBSGA sells these products either directly to consumers, such as through the Federally Facilitated Marketplace and Georgia Access, or to small or large employer groups who offer coverage to their employees but do not themselves insure the loss under the plan. These products are typically subject to state regulation, including state laws prohibiting surprise billing and mandating payment for certain out-of-network claims.

22. Second, BCBSGA administers self-funded plans, typically offered by large employers to their employees. These employers self-insure the plan and are financially responsible for any payment of benefits or other losses. Because employers often lack infrastructure to provide health insurance to their consumers, these plans contract with BCBSGA for administrative services, such as provider network development, customer service, and claims pricing and adjudication. These plans often delegate authority to BCBSGA to administer the IDR process on behalf of the plans, and the plans typically (though not always) reimburse BCBSGA for any awards resulting from IDR. These plans are

generally exempt from state insurance laws, including state surprise billing regulations, unless the plan chooses to opt into the state law. Instead, these plans are subject to ERISA.

23. Third, BCBSGA administers government program claims, such as through the Medicare Advantage program or Medicaid managed care. Government program claims are exempt from NSA requirements and ineligible for IDR.

24. Fourth, pursuant to the BlueCard program, BCBSGA acts as a "Host Plan" to other independent Blue Cross and/or Blue Shield "Home Plans" whose members obtain treatment from providers in BCBSGA's service area in Georgia. As a Host Plan, BCBSGA manages and participates in IDR proceedings that are initiated by providers in BCBSGA's Georgia service area for non-BCBSGA plans whose members receive treatment from the initiating Georgia provider.

25. While BCBSGA administers different types of health plans, providers generally know what type of health care coverage the patient has. Providers require proof of insurance at the point of service to submit claims to the health plan, and the member's health insurance card identifies the nature of the member's coverage. When BCBSGA issues payment on a claim, the payment is accompanied by an explanation of payment ("EOP"), which includes information about the member's coverage, among other information.

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

26. Health plans like BCBSGA contract with a network of health care providers, including hospitals and physicians, from whom their members may obtain "in-network" care. Such contracts govern the rate for the relevant services and prohibit the providers from billing patients above that amount. Generally, patients receive better and more affordable health care coverage when receiving treatment from "in-network" providers. However, patients can also choose to obtain treatment from out-of-network providers, which have no contract with their health plan. Because out-of-network providers are not bound by contractual billing limitations, patients typically pay more when they elect to receive care from out-of-network providers.

27. However, there are certain situations in which a patient has no ability to choose between in- and out-of-network care. One example is when a patient is suffering from a medical emergency and receives treatment at the nearest emergency room, where the on-call physician may not be in the patient's health plan's network. Another example is when a patient visits an in-network hospital but unknowingly receives treatment from an out-of-network physician. Before the passage of the NSA in 2022, out-of-network emergency and hospital-based providers like the Provider Defendants, air ambulance providers, pathology providers, and intraoperative neuromonitoring ("IONM") providers capitalized on patients' lack of meaningful choice in these circumstances.

28. Prior to the enactment of the NSA, these types of out-of-network providers widely engaged in the aggressive and financially devastating practice of "surprise billing." Specifically, the providers would exploit patients' inability to choose an in-network provider and bill the patient for the difference between their "inflated," "non-market-based rates"—known as "billed charges"—and the amounts paid by health plans. H.R. Rep. No. 116-615 (2020), at 53, 57. Surprise billing was particularly rampant among physician groups backed by private equity, like the Provider Defendants. For instance, a Sound Physicians subsidiary was exposed in the press for balance billing patients who chose to visit an in-network hospital for emergency services but received an unexpected and very large medical bill because the physician who provided their emergency care was out-of-network with their insurance. *See* C. Nylander, *N4T INVESTIGATORS: Sierra Vista patients claim they were overbilled by physicians' group*, News4Tucson (Apr. 20, 2022), available at https://www.kvoa.com/news/n4t-investigators-sierra-vista-patients-claim-they-were-overbilled-by-physicians-group/article_e4321afc-c104-11ec-80f8-ab2a3169ad18.html (last visited May 25, 2025).[2]

[2] Balance billing is not the only bad conduct in the Provider Defendants' history—in 2013, the Department of Justice ordered another affiliate based in Washington to pay $14.5 million for overbilling Medicare and other federal healthcare programs. *See* Press Release, *Bills Claimed Higher Level of Service Than Was Documented*, Dep't of Justice (July 3, 2013), available at https://www.justice.gov/archives/opa/pr/tacoma-wash-medical-firm-pay-145-million-settle-overbilling-allegations (last visited May 25, 2025).

29. Prior to the NSA, surprise billing providers like the Provider Defendants held "substantial market power." They were able to "charge amounts for their services that … result[ed] in compensation far above what is needed to sustain their practice" because they "face highly inelastic demands for their services because patients lack the ability to meaningfully choose or refuse care." H.R. Rep. No. 116-615, at 53. Surprise billing providers like the Provider Defendants reaped massive profits by issuing surprise medical bills to patients and had little incentive to contract with health plans like BCBSGA to offer more affordable health care services to American consumers.

30. Congress called this framework a "market failure" that was having "devastating financial impacts on Americans and their ability to afford needed health care." *Id.* at 52. In response to such abuses by providers, Congress enacted the NSA.

III. The No Surprises Act Created an Independent Dispute Resolution Process for Specific Qualified IDR Items and Services.

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

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

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

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

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

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

36. The 30-day open negotiations period is a central requirement of the IDR process. Indeed, Congress explained that one of the primary purposes of the NSA was to ensure that health care providers, including hospitals and doctors, and payors, including insurance companies and self-funded plans, are incentivized to resolve their differences amongst themselves. *See* Brady Opening Statement at Full Committee Markup of Health Legislation (Feb. 12, 2020), available at https://waysandmeans.house.gov/2020/02/12/brady-opening-statement-at-full-committee-markup-of-health-legislation-3/.

37. Further, the IDR process is also only available for a "qualified IDR item or service" eligible for the process. 42 U.S.C. § 300gg-111(c)(1); 45 C.F.R. § 149.510(a)(2)(xi), (b)(1), (b)(2). To be considered a qualified IDR item or

service within the scope of the IDR process, the following conditions must be met:

a. The underlying services are within the NSA's scope, meaning they are out-of-network emergency services, non-emergency services at participating facilities, or air ambulance services, and also of a coverage type subject to the NSA (*e.g.*, not government programs like Medicare or Medicaid);

b. A state surprise billing law (referred to as a "specified state law" in the NSA) does not apply to the dispute;

c. The underlying services were covered by the patient's health benefit plan (*i.e.*, payment was not denied);

d. The patient did not waive the NSA's balance billing protections;

e. The provider initiated and exhausted open negotiations;

f. The provider initiated the IDR process within 4 business days after the open negotiations period was exhausted; and

g. The provider has not had a previous IDR determination on the same services and against the same payor in the previous 90 calendar days.

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

38. Relevant to state surprise billing laws, which impact eligibility for IDR, the NSA defines a specified state law as "a State law that provides for a method for determining the total amount payable under such a plan, coverage, or issuer, respectively … in the case of a participant, beneficiary, or enrollee covered under such plan or coverage and receiving such item or service from such a nonparticipating provider or nonparticipating emergency facility." 42 U.S.C. § 300gg-111(a)(3)(I); 45 C.F.R. § 149.30 (same).

39. The Centers for Medicare & Medicaid Services ("CMS"), the federal agency within the Department of Health and Human Services ("HHS") that is primarily charged with implementing the IDR process, has issued several resources to aid interested parties in determining whether a state surprise billing law exists. *See*, *e.g.*, CAA Enforcement Letters, available at https://www.cms.gov/marketplace/about/oversight/other-insurance-protections/consolidated-appropriations-act-2021-caa (last accessed May 19, 2025); Chart for Determining the Applicability for the Federal Independent Dispute Resolution (IDR) Process (Jan. 13, 2023), available at https://www.cms.gov/files/document/caa-federal-idr-applicability-chart.pdf (last accessed May 19, 2025).

40. Georgia has a specified state law called the Surprise Billing Consumer Protection Act, codified at O.C.G.A. § 33-20E-1 *et seq*.; *see* Georgia CAA Enforcement Letter (Dec. 13, 2021), available at https://www.cms.gov/cciio/programs-and-initiatives/other-insurance-protections/caa-enforcement-letters-georgia.pdf (last accessed May 24, 2025) (the "SBCPA"). Self-insured health plans governed by ERISA are exempt from the SBCPA, Ga. Code Ann. § 33-20E-3, unless they opt in. Ga. Code Ann. § 33-20F-2.

41. For out-of-network emergency services and non-emergency services at in-network facilities, the SBCPA requires payment at the greatest of: (1) the

verifiable contracted amount[3] paid by all eligible health plans subject to the statute for the same or similar services, as reflected in the Georgia All-Payer Claims Database; (2) the most recent verifiable amount agreed to by the health plan and the nonparticipating provider for the provision of the same or similar services; and (3) any higher amount the health plan deems appropriate given the complexity of the circumstances. *See* O.C.G.A. §§ 33-20E-4(b)(1)–(3), 33-20E-5(b)(1)–(3); Ga. Comp. R. & Regs. r. 120-2-106-.05(2)(a)–(c); *see also* Ga. Comp. R. & Regs. r. 120-2-106-.09 (reflecting establishment of the All-Payer Claims Database). Georgia also provides for its own dispute resolution mechanism if the provider is dissatisfied with payment. *See* O.C.G.A. § 33-20E-9; Ga. Comp. R. & Regs. r. 120-2-106-.10.

42. The NSA also imposes certain other requirements for services submitted to IDR in addition to the fact they are qualified IDR items or services. For example, when a party submits multiple separate services to different patients in a single dispute, they must comply with the NSA's "batching rules." These batching rules require that the services be rendered to members of the same insurer or self-funded health plan during a 30-business-day period by the same provider and for treatment of the same or similar medical condition. *See* 42 U.S.C. § 300gg-111(c)(3)(A). Further, parties are prohibited from initiating IDR disputes

[3] The "contracted amount" is defined as the median in-network amount paid during the 2017 calendar year by an insurer for the emergency or nonemergency services provided by in-network providers engaged in the same or similar specialties and provided in the same or nearest geographical area, adjusted for inflation annually. O.C.G.A. § 33-20E-2(b)(2).

involving the same parties and items or services during a 90-day period following an IDR determination, also known as the "cooling off period." *See id*. at § 300gg-111(c)(5)(E)(ii).

43. When initiating the IDR process, providers must, among other things, submit an attestation that the items and services in dispute are qualified IDR items or services within the scope of the IDR process. *See* 45 C.F.R. § 149.510(b)(2)(iii)(A)(6); *see also* Notice of IDR Initiation Form, 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. A copy of the IDR initiation form, including the attestation, are provided to the non-initiating party, the IDRE, and the Departments of Health and Human Services ("HHS"), Labor ("DOL"), and Treasury (collectively, the "Departments").

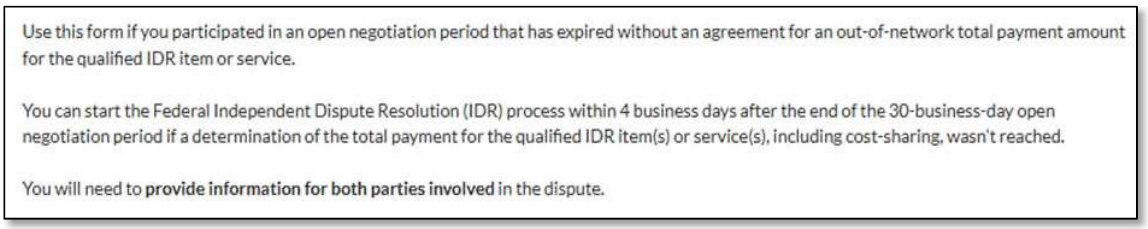
A. The IDR Initiation Process Notifies Initiating Parties of Ineligible Disputes.

44. Parties must initiate the IDR process online through a federal website called the "IDR Portal." The website for submissions is https://nsa-idr.cms.gov/paymentdisputes/s/.

45. The online process for initiating IDR is designed to notify initiating parties of facts that render services and disputes ineligible and prevent parties from mistakenly submitting ineligible items or services. Indeed, upon information and belief, the IDR process depends on truthful attestations from submitting parties in order to weed out ineligible disputes, and submitting a flood

of ineligible disputes can overwhelm the IDR process and give rise to results not intended by Congress. The initiation and attestation process is the first line of defense against these consequences.

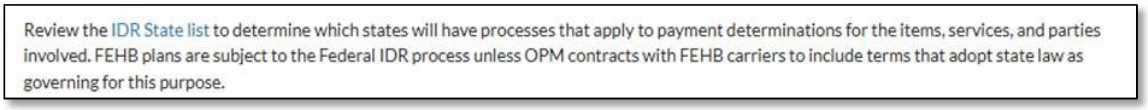
46. The first page of the website specifies that parties may "[u]se this form if you participated in an open negotiation period that has expired without agreement for an out-of-network total payment amount for the qualified IDR item or service."


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.

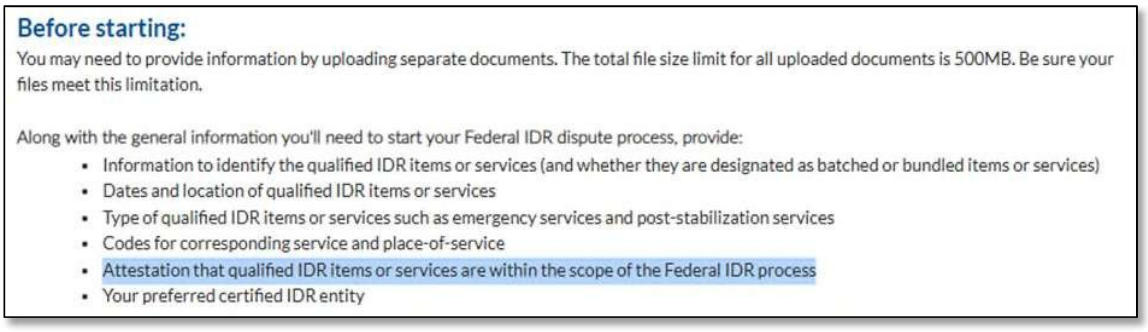
You can start the Federal Independent Dispute Resolution (IDR) process within 4 business days after the end of the 30-business-day open negotiation period if a determination of the total payment for the qualified IDR item(s) or service(s), including cost-sharing, wasn't reached.

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

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

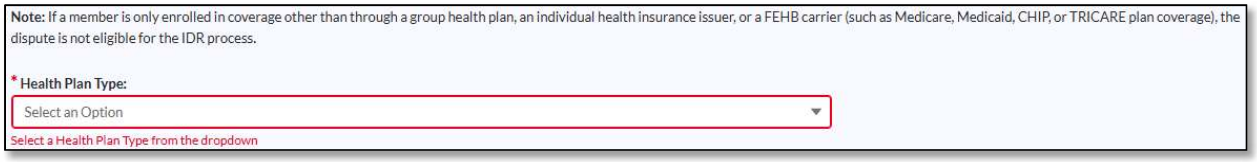

Review the IDR State list to determine which states will have processes that apply to payment determinations for the items, services, and parties involved. FEHB plans are subject to the Federal IDR process unless OPM contracts with FEHB carriers to include terms that adopt state law as governing for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

48. Before initiating the IDR process, parties must agree to certain terms and conditions. The terms and conditions include a notice that the initiating party must submit an "[a]ttestation that qualified IDR items or services are within the scope of the Federal IDR process."

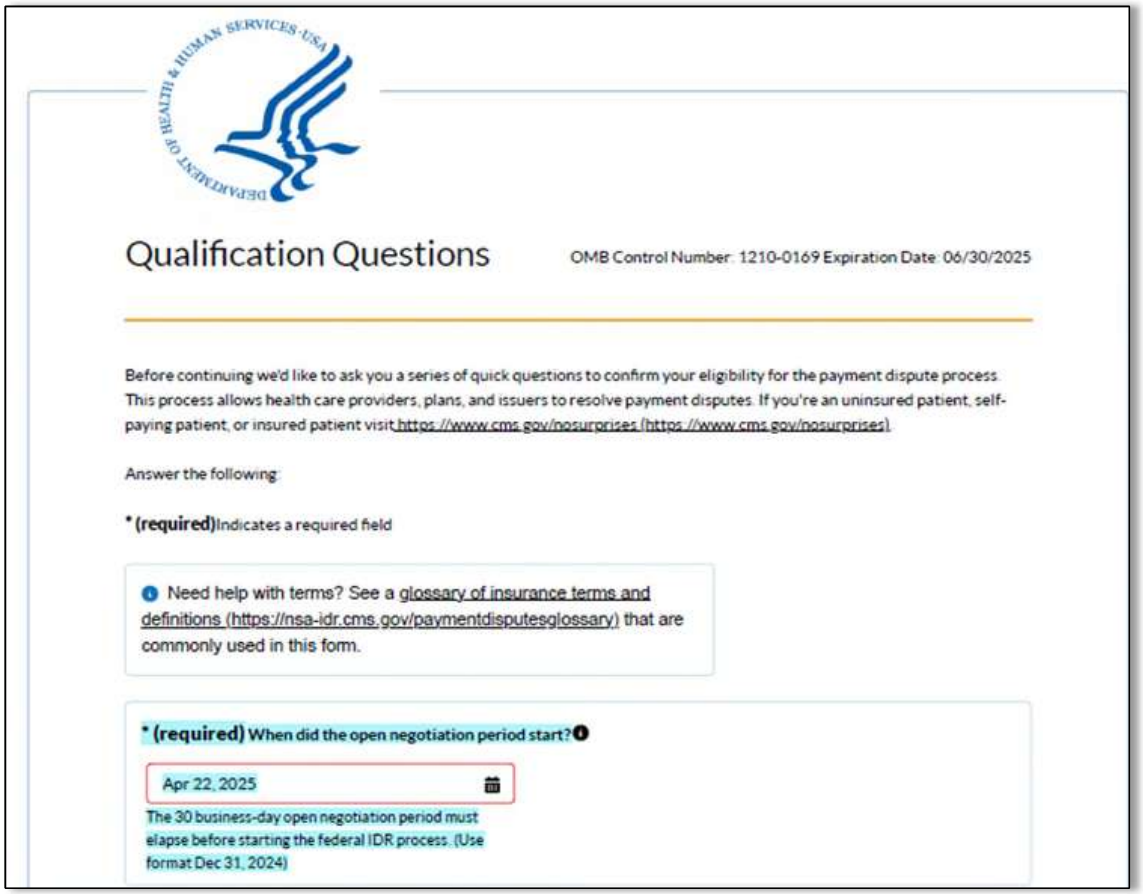


49. After agreeing to the terms and conditions, initiating parties must then answer "Qualification Questions" through an online form. If the answers to the Qualification Questions indicate that the dispute is not eligible for IDR, the form will provide an alert and prevent the initiating party from proceeding.

50. For example, the first page of the Qualification Questions on the federal IDR website requires the initiating party to select a "Health Plan Type." The page makes clear that if the member is enrolled in a Medicare or Medicaid plan, "the dispute is not eligible for the IDR process." Initiating parties cannot select a Medicare or Medicaid plan option and proceed with the initiation process.



51. As another example, the Qualification Questions on the federal IDR website asks when the party began the open negotiation process. That question as it appears on the website is below:



Qualification Questions

OMB Control Number: 1210-0169 Expiration Date: 06/30/2025

Before continuing we'd like to ask you a series of quick questions to confirm your eligibility for the payment dispute process. This process allows health care providers, plans, and issuers to resolve payment disputes. If you're an uninsured patient, self-paying patient, or insured patient visit https://www.cms.gov/nosurprises (https://www.cms.gov/nosurprises).

Answer the following:

* **(required)** Indicates a required field

Need help with terms? See a glossary of insurance terms and definitions (https://nsa-idr.cms.gov/paymentdisputesglossary) that are commonly used in this form.

* **(required)** When did the open negotiation period start?

Apr 22, 2025

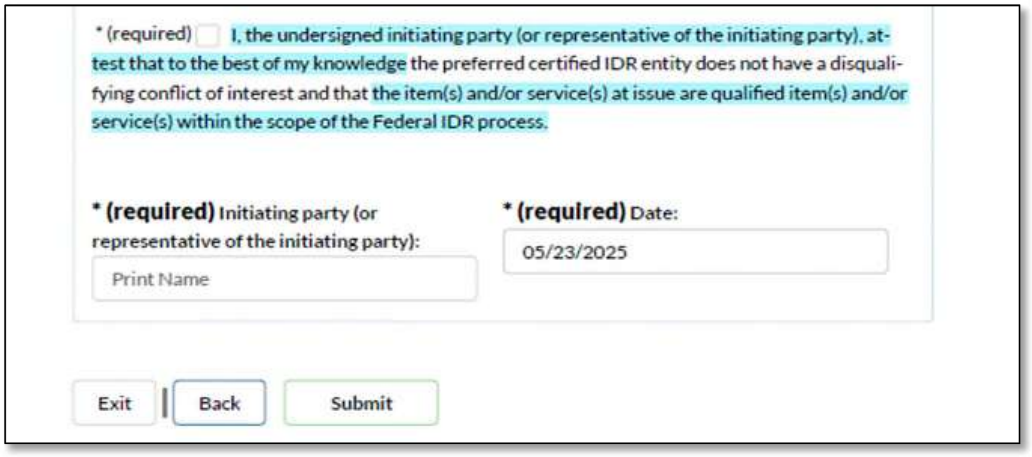
The 30 business-day open negotiation period must elapse before starting the federal IDR process. (Use format Dec 31, 2024)

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

53. Further, if the IDR initiation is not within four business days of the end of the 30-day open negotiation period, the initiating party must provide a reason why they are eligible for an extension and provide supporting documentation.

54. After successfully completing the Qualification Questions, the initiating party is asked to complete the Notice of IDR Initiation. The initiating party must provide a variety of relevant information, including the name and contact information of the health care provider, the claim number, the date of the service, the QPA—generally their median in-network rate for the same service in the same geographic area—for the qualified IDR item or services at issue, and documentation supporting these facts.

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



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

57. As illustrated above, at every stage of this online process, the system is designed to filter out ineligible disputes. To push through an ineligible dispute, the initiating party must make affirmative false statements, representations, and attestations regarding the eligibility for IDR. When a party initiates the IDR process, it has full knowledge of the requirements and limits of the IDR process.

58. HHS administers the IDR initiation process. Any submission made through this system is a statement made to the federal government, and any attestation made as part of the submission process is also made to the federal government. False attestations to the federal government can violate 18 U.S.C. § 1001.

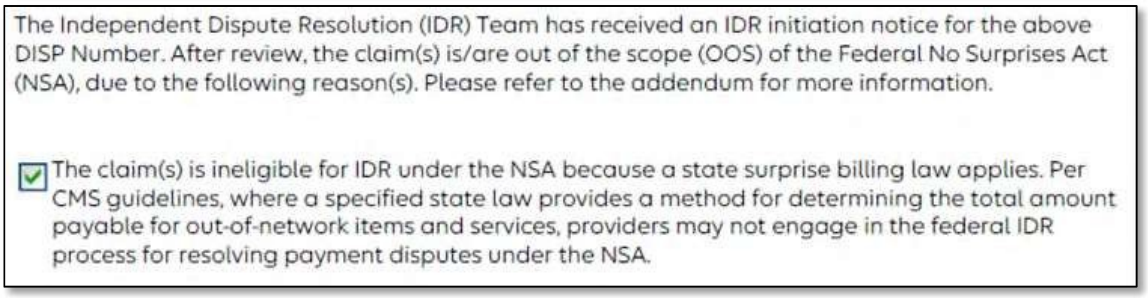
B. BCBSGA Also Informs Providers of Ineligible Disputes, Including Those Subject to State Surprise Billing Laws

59. In addition to the mechanisms built into the IDR claim initiation process designed to weed out ineligible claims, BCBSGA also affirmatively sends communications informing providers when services are ineligible for the NSA's IDR process.

60. For example, when providers initiate negotiations for items and services subject to Georgia's SBCPA, BCBSGA notifies the provider that the "***[c]laim is not governed by the Federal No Surprises Act***."

61. And even when providers ignore BCBSGA's negotiations communications for items and services subject to Georgia's SBCPA, BCBSGA

informs the provider or designee that the items or services are "***ineligible for IDR under the NSA because a state surprise billing law applies***."


The Independent Dispute Resolution (IDR) Team has received an IDR initiation notice for the above DISP Number. After review, the claim(s) is/are out of the scope (OOS) of the Federal No Surprises Act (NSA), due to the following reason(s). Please refer to the addendum for more information.

☑ The claim(s) is ineligible for IDR under the NSA because a state surprise billing law applies. Per CMS guidelines, where a specified state law provides a method for determining the total amount payable for out-of-network items and services, providers may not engage in the federal IDR process for resolving payment disputes under the NSA.

62. Like the Qualification Questions and IDR initiation process, BCBSGA's communications of ineligibility during open negotiations and/or after IDR initiation help ensure that providers do not mistakenly pursue the IDR process for non-qualified items or services that are outside the scope of the process.

C. If Applicable, IDREs Make Payment Determinations Which Are Subject to Judicial Review When Procured by Fraud

63. After the provider initiates the IDR process, the parties select, or HHS appoints, an IDRE. 42 U.S.C. § 300gg-111(c)(4)(F). The IDRE performs two tasks.

64. *First,* the IDRE is required by regulation to "determine whether the Federal IDR process applies." 45 C.F.R. § 149.510(c)(1)(v). In making this determination, the IDRE is directed to "review the information submitted in the notice of IDR initiation" ***with the provider's attestation of eligibility***. 45 C.F.R. § 149.510(c)(1)(v). In practice, this is a cursory review by the IDRE based on incomplete, one-sided information. The layers of safeguards in the IDR initiation

process—including the Qualification Questions and provider attestations—are intended to prevent providers from initiating the IDR process with ineligible disputes at the outset, before the dispute reaches the IDRE. Once a dispute reaches the IDRE, the initiating party has already bypassed those safeguards and affirmatively attested to the eligibility of the dispute, and the IDRE reviews the notice of IDR initiation with the affirmative attestation to determine eligibility. *See id.*

65. *Second*, if the IDRE determines the IDR process applies, then the IDRE proceeds to a payment determination. 42 U.S.C. § 300gg-111(c)(5)(A).

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

67. In making its determination, the IDRE must consider the QPA—which, through a calculation methodology prescribed by federal regulation, approximates the health plan's median in-network contracting rate for the services—and several "additional circumstances," such as training, experience, and quality of the provider, its market share, and the acuity of the patient, among others. 42 U.S.C. § 300gg-111(c)(5)(C). IDREs cannot consider, among other things, the provider's charges. 42 U.S.C. § 300gg-111(c)(5)(D) (IDREs "shall not consider … the amount that would have been billed by such provider or facility . . ."). Congress reasoned that permitting IDREs to "consider non-market-

based rates such as the providers' billed charges … may drive up consumer costs." H.R. Rep. No. 116-615, at 57.

68. The NSA states that an IDR determination is "binding" unless there was "a fraudulent claim or evidence of misrepresentation of facts presented to the IDR entity involved regarding such claim[.]" 42 U.S.C. § 300gg-111(c)(5)(E)(i).

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

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

71. The NSA permits judicial review of individual IDR determinations "in a case described in any of paragraphs (1) through (4) of section 10(a) of title 9" of the Federal Arbitration Act ("FAA"). 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). This includes the following:

> a. where the award was procured by corruption, fraud, or undue means;
>
> b. where there was evident partiality or corruption in the arbitrators, or either of them;
>
> c. where the arbitrators were guilty of misconduct in refusing to postpone the hearing, upon sufficient cause shown, or in refusing to hear evidence pertinent and material to the controversy; or of any other misbehavior by which the rights of any party have been prejudiced; or
>
> d. where the arbitrators exceeded their powers, or so 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).

DEFENDANTS' FRAUDULENT NSA SCHEME

72. Beginning no later than January 2024, Defendants launched the NSA Scheme to defraud BCBSGA by fraudulently submitting thousands of knowingly ineligible IDR disputes to BCBSGA. To effectuate this scheme, Defendants made false statements, representations, and attestations regarding their eligibility for IDR under the NSA. These disputes were not merely erroneous; they were fraudulent.

73. The Sound Physicians Enterprise consists of HaloMD and the Provider Defendants, who associated together with the common purpose of

engaging in a course of conduct to conduct the NSA scheme. The core of the NSA Scheme relies on the Sound Physicians Enterprise's calculated bet: that their repeated misrepresentations that the submitted disputes met the criteria for the federal IDR process would not be caught. And they were not. ***Most of the disputes submitted by Defendants that reached a payment determination were categorically ineligible for the IDR process***. As a result of these ineligible disputes, since 2024, BCBSGA's records show that Defendants have fraudulently secured improper IDR awards totaling ***over $5.6 million***.

74. As alleged herein, IDR is only available for specific categories of disputes, subject to strict statutory and regulatory criteria. However, Defendants submit false attestations through the IDR portal, claiming eligibility for disputes involving: (1) services and disputes governed by a specified state law (*i.e.*, the Georgia SBCPA); (2) Medicaid- or Medicare-governed services for which the NSA does not apply; (3) services not covered by the patient's plan; (4) disputes for which Defendants failed to initiate or pursue open negotiations; and (5) disputes already resolved or barred by timing rules.

75. Defendants have pulled off the NSA Scheme by exploiting the scale and automation of artificial intelligence ("AI"). Promoting their use of AI in IDR submissions, HaloMD, on behalf of and in coordination with the Provider Defendants, have flooded the IDR system with fraudulent disputes at an industrial scale, deliberately overwhelming IDR safeguards and enabling payment on their fraudulent disputes.

76. Defendants' NSA Scheme involves three related tactics. ***First***, using interstate wires, Defendants make repeated false statements, representations, and attestations of eligibility to BCBSGA, the IDREs, and the Departments. ***Second***, Defendants manipulate the IDR process by strategically submitting massive numbers of open negotiations and IDR initiations—most of which are patently ineligible for IDR—in an attempt to overwhelm the ability of health plans like BCBSGA to contest claims, confuse and swamp IDREs, and manipulate the IDR process. ***Third***, Defendants submit false and inflated requests for payment that they could never receive on the open market, including many that exceed the Provider Defendants' own billed charges. *See* H.R. Rep. No. 116-615 (2020), at 53, 57 (noting that billed charges should not be considered in the IDR process because they are "inflated," arbitrary, and "non-market-based" figures).

77. Through the NSA Scheme, Defendants intentionally turned the NSA's IDR process into the vehicle for their fraud scheme.

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

I. Defendants Knowingly Make False Attestations of Eligibility to Initiate the IDR Process

79. When flooding the IDR process with ineligible disputes against BCBSGA, the Provider Defendants, and HaloMD on behalf of the Provider Defendants, make repeated false statements, representations, and attestations that the items or services in dispute are "qualified item(s) and/or service(s) within the scope of the Federal IDR process" when, in fact, they know they are not. *See* 45 C.F.R. § 149.510(b)(2)(iii)(A)(6); *see also* Notice of IDR Initiation Form, 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. Defendants make these false attestations and representations to BCBSGA, the IDRE, and the Departments.

80. The items and services that Defendants falsely attest are "qualified item(s) and service(s) within the scope of the Federal IDR process" are patently ineligible and Defendants know they are ineligible when making their false attestations.

81. As noted above, the online process for initiating IDR is designed to—and does—notify initiating parties of the kinds of disputes that are ineligible in an effort to prevent parties from inadvertently submitting ineligible items or services.

82. As one example, the first page of the IDR initiation process (1) provides a link to states—like Georgia—that have surprise billing laws that may render the NSA is inapplicable, and (2) informs initiating parties that they must submit an attestation that the services at issue are qualified IDR items or services within the scope of the Federal IDR process. The purpose of providing this information on the first page of the federal IDR Portal before starting the IDR initiation process is to prevent parties from initiating the IDR process for services subject to a specified state law. Notably, CMS also publishes charts and other resources to inform providers of the states with surprise billing laws and the scope and applicability of those laws. *See* Notice of IDR Initiation, HHS, available at https://nsa-idr.cms.gov/paymentdisputes/s/; *see also, e.g.*, CAA Enforcement Letters, CMS, *supra*; Chart for Determining the Applicability for the Federal Independent Dispute Resolution (IDR) Process, CMS, *supra*.

83. Moreover, as part of the IDR initiation process, initiating parties must also identify, among other things, the specific date that they initiated open negotiations, the type of health plan coverage for the patient who received the services, and an affirmative attestation that the "item(s) and service(s) at issue are qualified items and/or service(s) within the scope of the Federal IDR process." Defendants must affirmatively make false statements in order to push their ineligible services through the IDR process; if not, the system would block these ineligible services from proceeding. Of course, the IDR Portal is not equipped to block disputes wherein the provider is misrepresenting information about the relevant plan, service, or dispute. The IDR Portal takes the information inputted by the provider as true and relies on truthful and accurate submissions by claimants.

84. In addition, BCBSGA often directly notifies the Defendants that the items or services at issue in their IDR initiation are ineligible. These notifications inform Defendants that their submissions violate the NSA's eligibility requirements. Yet despite receiving this information, Defendants routinely proceed with their IDR disputes anyway—demonstrating not only their knowledge of the fraud, but their intentional and ongoing participation in it. This further underscores the knowing, coordinated nature of their scheme.

85. For example, Defendants initiate the IDR process despite failing to initiate or pursue open negotiations. Open negotiation is a prerequisite to IDR; providers must attempt to negotiate a resolution with health plans before initiating

the IDR process. Yet Defendants submitted numerous disputes for services ***where no open negotiation occurred***. BCBSGA's records reflect scores of disputes involving this very issue, and therefore, Defendants affirmatively misrepresented these disputes in the IDR initiation forms.

86. Such disputes cannot proceed through the IDR Portal by inadvertence or neglect on the part of Defendants. But Defendants knowingly make false statements and representations to get past this step by fabricating a start date for the open negotiation period and/or by generating a fictitious justification for an extension. Each of Defendants' electronic submissions to the Departments and the IDRE for these ineligible disputes constitutes an overt act in furtherance of their wire fraud scheme; Defendants had to put in a fabricated date, upload false documentation, generate a fictitious justification for an extension, and/or otherwise overcome the IDR system's safeguards to get their disputes submitted.

87. As another example, Defendants initiated fraudulent IDR disputes for services rendered to members enrolled in a BCBSGA Medicaid or Medicare plan, even though the NSA is inapplicable to these government programs. Defendants also routinely initiated IDR disputes for services subject to the Georgia SBCPA even though the NSA is inapplicable to such services. In addition to the IDR initiation process and Qualification Questions, which make clear that such services are not within the scope of the IDR process, BCBSGA's EOPs, responses to negotiations, and objections to eligibility after IDR initiation

informed Defendants that these items and services were ineligible for the federal IDR process.

88. Typically, HaloMD—the hub of this NSA Scheme—makes these false attestations of eligibility when initiating the IDR process on behalf of the Provider Defendants, with the full knowledge of the Provider Defendants, and in furtherance of the NSA Scheme. And in other instances, the Provider Defendants initiate the knowingly ineligible IDRs themselves or on each other's behalf.

89. In sum, the Provider Defendants are fully aware of the false attestations that HaloMD submits in their names and actively participate in the scheme by authorizing, directing, or ratifying the submissions. Their coordination with HaloMD is deliberate, sustained, and central to the execution of the NSA Scheme.

II. Defendants Strategically Initiate a Massive Volume of Fraudulent IDR Disputes Simultaneously.

90. To further ensure that the thousands of knowingly ineligible, falsely attested disputes against BCBSGA go undetected and proceed to judgment, Defendants also initiate a massive number of fraudulent IDR disputes all at once to overwhelm the IDR system. This abuse of volume is not incidental; it is strategic to secure favorable or default outcomes by ensuring that health plans have insufficient time to challenge eligibility, and IDREs cannot complete fulsome reviews in the timeline provided by the NSA, in furtherance of the NSA Scheme.

91. Overall, the NSA's IDR process has been overwhelmed by a staggering volume of disputes that far exceed the government's initial estimates.

92. Before the IDR process was launched, CMS estimated that parties would initiate about 22,000 IDR process disputes in the first year. *See* 86 Fed. Reg. 55,980, 56,068, 56,070 (Oct. 7, 2021).

93. Providers have shattered those estimates. The most recent government statistics show that in the second half of 2024, disputing parties—virtually all of whom are providers—initiated **853,374 disputes**, 40 percent more than the first half of 2024 (610,498). *Supplemental Background on the Federal IDR Public Use Files, July 1, 2024—Dec. 31, 2024* (as of May 28, 2025), available at https://www.cms.gov/files/document/federal-idr-supplemental-background-2024-q3-2024-q4. This figure from a period of ***six months*** is nearly ***39 times*** the volume of disputes that the government originally anticipated ***over a full year***.

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

95. HaloMD is among the three most prolific filers of IDR disputes. During the last six months of 2024, HaloMD initiated **134,318 disputes** through the IDR process—which by itself exceeded the government's original estimate

for total annual disputes **more than sixfold**. *See Federal IDR Supplemental Tables for Q3 2024* (as of May 28, 2025), available at https://www.cms.gov/files/document/federal-idr-supplemental-tables-2024-q3.xlsx; *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. That means HaloMD was initiating an average of more than 746 disputes against health plans ***per day***. *See id.*

96. But HaloMD and the Provider Defendants did not merely initiate an overwhelming volume of IDR disputes each day. Defendants strategically initiate hundreds of IDR process disputes against BCBSGA on the same day, most of which are fraudulent as do not involve qualified IDR items or services within the scope of the NSA's IDR process.

97. For example, on May 3, 2024, Defendants initiated 228 separate IDR proceedings against BCBSGA. BCBSGA's records show that more than 80 percent were ineligible for IDR in the first place. Yet BCBSGA lost in 192 of the disputes, where the IDREs chose the number submitted by the provider, ordered BCBSGA to pay an additional $390,000 from what was originally reimbursed, plus $118,000 in fees associated with the IDR process. The baseball style arbitration, wherein the IDRE has no authority to modify the parties' bids, is premised on the notion that ineligible claims will be weeded out at the outset.

98. Defendants' goals are to interfere with BCBSGA's ability to effectively identify ineligible disputes and to overwhelm the IDR system and the IDREs tasked with making applicability and payment determinations.

99. Through considerable operational burden and expense, BCBSGA has crafted workflows allowing it to identify most of the unqualified items or services and notify Defendants that the disputes do not qualify for IDR. Yet despite BCBSGA's objections, most of Defendants' ineligible disputes reach a payment determination due to Defendants' knowingly false attestations of eligibility.

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

101. Thus, when receiving an avalanche of ineligible disputes from Defendants all at once, IDREs frequently rely on Defendants' false attestations of eligibility to reach and issue a payment determination on ineligible disputes.

102. Since at least 2024, ***most of disputes from Defendants that reached a payment determination were ineligible for the IDR process***, often despite

objections from BCBSGA. From these fraudulent submissions alone, Defendants have received millions of dollars in illicitly obtained reimbursements.

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

103. The final step in Defendants' NSA Scheme involves inflating their reimbursement demands to levels far beyond what the market would support and sometimes even above the Provider Defendants' billed charges. Their goal is to manipulate IDREs into selecting inflated amounts by anchoring the dispute to a grossly exaggerated number. By submitting a grossly inflated offer, Defendants artificially shift the IDRE's frame of reference upward. And due to systemic issues with the IDR process, Defendants frequently prevail with their unreasonable offer—even if it is far above market rates or even above what the Provider Defendants had billed.

104. Congress directed IDR payment determinations to be made according to the QPA and several "additional circumstances," such as the training, experience, and quality of the provider, its market share, and the acuity of the patient, among others. 42 U.S.C. § 300gg-111(c)(5)(C). In practice, however, IDRE payment determinations skew heavily in favor of providers and heavily in excess of the QPA because providers like Defendants are exploiting the system.

105. In the most recent reporting period, providers prevailed in ***85 percent*** of IDR payment determinations. *Supplemental Background on the*

Federal IDR Public Use Files, July 1, 2024—Dec. 31, 2024, CMS, *supra*. During that period, prevailing offers exceeded the QPA ***85 percent*** of the time. *See id.* And studies from 2024 show that when providers prevail in IDR, they prevail at a median rate of over three times the QPA. *See* Zachary L. Baron et al., O'NEILL INSTITUTE, GEORGETOWN LAW, *2023 Data from the Independent Dispute Resolution Process: Select Providers Win Big*, available at https://oneill.law.georgetown.edu/publications/2023-data-from-the-independent-dispute-resolution-process-select-providers-win-big/.

106. Defendants know that IDREs select the provider's offer in more than 8 out of every 10 payment determinations, so they can frequently prevail with outrageous offers.

107. Indeed, since 2024, Defendants' payment offers on ineligible disputes alone are ***more than 1,015%*** of BCBSGA's QPA for the service.

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

109. While shielding the IDRE from the inflated billed changes was supposed to offer a measure of protection for both payors and consumers, Defendants have turned the rule on its head to further exploit both. Defendants have taken to submitting offers that actually ***exceed billed charges*****,** knowing full

well that the IDREs will necessarily be blind to their scheme. Since at least 2024, Defendants fraudulently submitted hundreds of inflated disputes through the IDR process where they requested and received hundreds of IDR awards exceeding their billed charges.

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

IV. Defendants' NSA Scheme Damages BCBSGA, Affiliated Health Plans, and Consumers

111. As a result of Defendants' unlawful conduct, BCBSGA and its affiliated health plans have paid excessive amounts for medical services and incurred unnecessary administrative and arbitration fees. The financial harm caused by Defendants' abusive practices is ongoing and threatens the affordability and sustainability of health benefits for BCBSGA's members.

112. Since January 3, 2024, BCBSGA's records show that Defendants initiated thousands of IDR proceedings, consisting of over 7,000 separate services, against BCBSGA. However, the earliest publicly available data published by CMS shows that the Provider Defendants were parties to IDR

determinations against BCBSGA in 2023, so the scheme likely began then or before.

113. BCBSGA determined that most these IDR disputes were ineligible for IDR for reasons like failure to initiate mandatory open negotiations, Georgia's specified state law, SBCPA, governed the dispute, or the Provider Defendants had treated a Medicare or Medicaid beneficiary when such plans are exempt from the NSA. For these ineligible disputes catalogued in BCBSGA's data, Defendants illicitly secured nearly ***$6 million*** in improper IDR awards.

114. The ineligible disputes obligated BCBSGA to pay over $900,000 in unnecessary IDR-related fees.[4]

THE SOUND PHYSICIANS ENTERPRISE

115. The members of the Sound Physicians Enterprise were organized pursuant to a framework that enabled the enterprise to make and carry out decisions. The Sound Physicians Enterprise functioned as a continuing unit with established duties. The Sound Physicians Enterprise designed and coordinated the multifaceted NSA Scheme intended to defraud payors like BCBSGA.

116. In doing so, HaloMD and the Provider Defendants conducted the activities of an association-in-fact enterprise consisting of HaloMD and the

[4] While Plaintiff's investigation of Defendants' fraudulent conduct is ongoing, BCBSGA has already determined that Defendants fraudulently inflated their offers above the Provider Defendants' billed charges in over hundred eligible disputes from this period. For these inflated offers catalogued in BCBSGA's data, Defendants improperly recovered

Provider Defendants through a pattern of racketeering activity, including, but not limited to, wire fraud.

117. Between 2024 and the present, the Provider Defendants, with the intent to defraud, devised and willfully participated with HaloMD, and with knowledge of fraudulent nature, in the scheme and artifice to defraud and obtain money and property by materially false and fraudulent pretenses, statements, and representations, as described herein.

118. Defendants do not operate as separate, independent actors. Rather, they function as interdependent participants in a unified scheme designed to exploit the IDR process and defraud BCBSGA. The Provider Defendants are integrated components of a national hospitalist staffing enterprise that centrally manages legal, billing, and IDR functions. HaloMD serves as a key agent and operational partner of the enterprise, submitting disputes on behalf of the Provider Defendants at scale using a standardized platform and shared communications infrastructure. Their coordinated actions, mutual financial incentives, and repeated patterns of conduct demonstrate a shared intent to pursue improper IDR payments on a mass scale. HaloMD and the Provider Defendants operated with integrated, enterprise-level coordination behind the scheme.

I. Defendant HaloMD

119. HaloMD is the hub of Defendants' scheme to flood the IDR process with knowingly ineligible disputes.

120. HaloMD claims to operate "[w]ith an exclusive focus on Independent Dispute Resolution (IDR)[.]" *See* https://halomd.com/. The company markets itself as "the premier expert in Independent Dispute Resolution (IDR)" and claims to "empower out-of-network providers to secure sustainable, predictable revenue streams" and "deliver the financial outcomes that healthcare providers, practice leaders, and executives rely on for long-term financial stability." *See id.*

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

122. HaloMD touts its "proprietary platform" as one founded with "advanced technology and AI-driven infrastructure[.]" *Id.* HaloMD also represents that it "instantly assesses each case for eligibility under The No Surprises Act and relevant state regulations." Providers submit services for dispute in the IDR process through HaloMD's portal. *Id.*

123. HaloMD further represents that it "gathers and organizes the necessary documentation [from the provider], [and] prepar[es] a compelling case that highlights the provider's position, ensuring nothing is overlooked[.]" *Id.*

124. Upon information and belief, HaloMD leverages AI as part of its fraudulent billing scheme to flood the IDR system with ineligible disputes.

125. HaloMD operates on a commission-based reimbursement model. Its website states: "We don't get paid until you get paid." *Id.* HaloMD thus has a financial incentive to (1) bring as many services as possible through the IDR process, regardless of the merits or the applicability of the NSA to those disputes, and (2) seek the highest possible monetary award for its provider clients in the IDR process. The Provider Defendants share these same financial incentives.

126. Although HaloMD advertises the power of its AI-powered proprietary platform, it is missing a key element that can only be provided by health care providers such as the Provider Defendants—patient claims that can be billed to health care plans and subsequently submitted to the IDR process. And to the extent that HaloMD receives patient claims that are ineligible for the IDR process, HaloMD requires a willing conspirator that can both supply patient claims and agree that HaloMD will provide false attestations about such claims' eligibility for the IDR process in order to exploit the loopholes in that process—so that all parties to the enterprise can benefit to the tune of millions of dollars. This is where the other integral part of the Sound Physicians Enterprise comes in: the Provider Defendants.

II. Provider Defendants

127. The Provider Defendants are subsidiaries or affiliates of Sound Physicians, a national multi-specialty medical group headquartered in Tacoma, Washington. Sound Physicians publicly claims to employ over 4,000 clinicians and to manage approximately 6 percent of all acute hospitalizations across more

than 400 hospitals nationwide. *See* https://soundphysicians.com/about/why-sound/.

128. The Provider Defendants were incorporated by persons located at 1498 Pacific Ave., Suite 400, in Tacoma, Washington 98402, which is also Sound Physicians' corporate headquarters.

129. Lindsay Vaughan, Associate General Counsel of Sound Physicians, served as the incorporator for Hospitalist Medicine Physicians of Georgia – TCG, PC, and has signed annual registration forms filed with the Georgia Secretary of State for the Provider Defendants.

130. The Provider Defendants share resources and intermingle operations with respect to the submission of health care claims, payment for health care services, and pursuit of IDR. As noted below, Sounds Physicians filed IDR initiations on behalf of HMP and SPEMG. Even in disputes initiated by HaloMD, the email address recorded by the initiating party for IDR involving HMP and SPEMG services is soundnsa@halo.com. The interchangeable nature and shared control of the Provider Defendants is likewise evident in the fact that BCBSGA's EOPs for HMP services were directed to P.O. Box 748996, Los Angeles, CA 90074-8996—a national Sound Physicians address. *See* Sound Physicians, Patient Resources (listing this address as the address for patient billing and payment information for emergency medicine), available at https://soundphysicians.com/patient-resources/ (last visited May 26, 2025). Open negotiation notices for HMP's services also originated from this same national

billing address, confirming the shared infrastructure and control over the dispute process.

131. HaloMD is not the only party initiating IDRs for the Provider Defendants. Rather, many IDRs pursued by the Provider Defendants were initiated by Sound Physicians through its email address soundfedidr@soundphysicians.com, including for services provided by HMP and SPEMG. The character of IDRs pursued by Sound Physicians itself (as opposed to those submitted by HaloMD) follow the same pattern of systemic initiation of faulty and ineligible disputes. Thus, the Provider Defendants themselves falsely attested eligibility in many disputes and, through their commingled operations, had knowledge of the broader ongoing illegal scheme. Once the Provider Defendants and HaloMD joined forces, they were able to carry out the scheme to exploit the IDR process on a massive scale that neither could have achieved on their own.

132. In sum, the relationship between the Provider Defendants and HaloMD was not passive. Together, they coordinated to pursue the common purpose of exploiting the IDR process by maximizing the number of disputes submitted and inflating payment demands well beyond their billed charges or market rates. The use of HaloMD as a submission engine was not incidental or isolated; it was a deliberate component of the Sound Physicians Enterprise's strategy to bypass the limitations of individual-provider capacity, automate the

submission of disputes en masse, and conceal the ineligibility or inflation embedded in each claim.

III. The Sound Physicians Enterprise Exploits the IDR Process at the Expense of BCBSGA

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

134. Defendants made false and fraudulent statements, representations, and attestations related to the following illustrative fraudulent IDR disputes, including, but not limited to, the following:

A. IDR Proceeding DISP-1317978

135. The IDR proceeding captioned DISP-1317978 involved an emergency service that SPEMG rendered on November 25, 2023, to a member of a Medicaid managed care plan administered by BCBSGA. SPEMG submitted a claim for reimbursement to BCBSGA using the patient's Medicaid insurance ID

number, which means SPEMG reviewed the patient's insurance card and was aware the patient was a Medicaid beneficiary.

136. SPEMG billed $630 in charges for the emergency service. BCBSGA approved the claim to pay $46.97—the Medicaid rate for the services and what Medicaid regulations require providers like SPEMG accept as payment in full. BCBSGA issued an EOP to SPEMG reflecting this payment amount and, like the member's insurance card, evidencing that the patient was a Medicaid beneficiary.

137. On January 25, 2024, Sound Physicians sent a notice of open negotiation to BCBSGA. The notice of open negotiation was signed by Melissa Williams, a Dispute Resolutions Specialist employed by Sound Physicians, using an email domain address of @soundphysicians.com and operating from 120 Brentwood Commons Way, Suite 510 in Brentwood, Tennessee.

138. If the services had been qualified for IDR, the deadline to initiate IDR would be four business days after the 30-business-day open negotiation period, or March 14, 2024. Yet IDR was not initiated until May 9, 2024, when HaloMD, on behalf of SPEMG, falsely attested that the services SPEMG rendered to a BCBSGA Medicaid member were qualified for IDR. SPEMG knowingly permitted the services to proceed to IDR despite having full knowledge that they were rendered to a Medicaid member and therefore ineligible for the process.

139. Although BCBSGA timely objected to the dispute's eligibility for IDR, the IDRE notified both BCBSGA and HaloMD on February 3, 2025, that it had deemed the dispute eligible.

140. As a result of these fraudulent attestations, BCBSGA was required to pay $1,250 for the ineligible services—***approximately double the amount of SPEMG's billed charges for the service***—along with $512 in unnecessary IDR fees.

B. IDR Proceeding DISP-1727612

141. The IDR proceeding captioned DISP-1727612 involved an emergency service that SPEMG rendered on May 18, 2024, to a member of a fully insured BCBSGA health plan. As a fully-insured plan, the member's plan is subject to state law, and therefore, Georgia's surprise billing law, SBCPA—rather than the NSA—governed the $179.28 reimbursement rate for the service. Further, because it was not within the NSA's scope, no QPA applied to this service.

142. HaloMD, on behalf of SPEMG, initiated IDR on September 3, 2024, with a false attestation that the emergency service was a qualified IDR item or service. On September 5, 2024, BCBSGA timely responded to the IDR initiation to assert that IDR was not applicable to the dispute, stating: "This claim is subject to GA State Surprise Billing Laws."

143. Nevertheless, and as a result of these fraudulent attestations, BCBSGA was required to pay $3,012 for the ineligible service—***approximately***

$600 more than SPEMG originally billed for the service and more than 16 times the amount mandated by state law.

C. IDR Proceeding DISP-1317029

144. The IDR proceeding captioned DISP-1317029 involved an emergency service that HMP rendered on August 18, 2023, to a member of a fully insured plan administered by BCBSGA. The member's plan is subject to state law and therefore, Georgia's surprise billing law, SBCPA—rather than the NSA—governed the required reimbursement rate for the service. Further, because it was not within the NSA's scope, no QPA applied to this service. The NSA and IDR were inapplicable to DISP-1317029 for two independent reasons: (1) state law governed reimbursement, and (2) there were no "covered services."

145. HaloMD, on behalf of HMP, initiated IDR on May 9, 2024, with a false attestation that the emergency service was a qualified IDR item or service. On May 14, 2024, BCBSGA timely responded to the IDR initiation to assert that IDR was not applicable to the dispute.

146. Nevertheless, and as a result of the false attestations of eligibility, BCBSGA was required to pay $1,196—an amount equal to HMP's billed charges for a service not covered by the BCBSGA member's health plan.

D. IDR Proceeding DISP-1318943

147. The IDR proceeding captioned DISP-1318943 involves an emergency service that HMP rendered on December 20, 2023, to a member of a Medicaid managed care plan administered by BCBSGA. HMP submitted a claim

for reimbursement to BCBSGA using the patient's Medicaid insurance ID number, which means HMP reviewed the patient's insurance card and was aware the patient was a Medicaid beneficiary. HMP billed $1,196 in charges for the emergency service. BCBSGA approved the claim to pay $71.30—the Medicaid rate for the services and what Medicaid regulations require providers like HMP to accept as payment in full. BCBSGA issued an EOP to HMP reflecting this payment amount and, like the insurance card, evidencing that the patient was a Medicaid beneficiary.

148. Despite the claim not being subject to the NSA, on January 25, 2024, Sound Physicians sent a notice of open negotiation to BCBSGA. The notice of open negotiation was signed by Melissa Williams, a Dispute Resolutions Specialist employed by Sound Physicians, using an email domain address of @soundphysicians.com and operating from 120 Brentwood Commons Way, Suite 510 in Brentwood, Tennessee. The January 25, 2024, open negotiations notice enclosed a spreadsheet purporting to "negotiate" ***three hundred fifty-two (352) services from HMP***. This tactic of purportedly opening negotiations for hundreds of services all at once is part of Defendants' strategy to overwhelm health plans and the IDR process.

149. Despite the claim not being subject to the NSA, HaloMD, on behalf of HMP, initiated IDR on May 9, 2024, with a false attestation that the emergency service was a qualified IDR item or service. On May 14, 2024, BCBSGA timely

responded to the IDR initiation to assert that IDR was not applicable to the dispute, noting that the type of plan was not subject to the NSA.

150. Nevertheless, as a result of the fraudulent attestations, BCBSGA was required to pay $1,196—an amount equal to HMP's billed charges without accounting for Medicaid rates—along with $735 in unnecessary IDR fees.

151. Notably, the IDRE's determination email was addressed to soundnsa@halomd.com, even though the rendering provider was HMP.

E. IDR Proceeding DISP-1689761

152. The IDR proceeding captioned DISP-1689761 involves an emergency service that HMP rendered on December 26, 2022, to a member of a Medicare Advantage plan administered by BCBSGA. HMP submitted a claim for reimbursement to BCBSGA using the patient's Medicare ID number, which means HMP reviewed the patient's insurance card and were aware they were a Medicare beneficiary. HMP billed $1,761 in charges for the emergency service. BCBSGA approved the claim to pay $170.86, which was the Medicare rate for the services. BCBSGA issued an EOP to SPEMG reflecting this payment amount and, like the insurance card, evidencing that the patient was a member of a Medicare Advantage plan.

153. Despite the claim not being subject to the NSA, on January 19, 2023, Sound Physicians sent a notice of open negotiation to BCBSGA. The notice of open negotiation was signed by Melissa Williams, a Dispute Resolutions Specialist employed by Sound Physicians, using an email domain address of

@soundphysicians.com and operating from 120 Brentwood Commons Way, Suite 510 in Brentwood, Tennessee. The open negotiations notice enclosed a spreadsheet purporting to "negotiate" ***one hundred thirty-two (132) services from HMP***. Again, this tactic of purportedly opening negotiations for more than one hundred of services all at once is part of Defendants' strategy to overwhelm health plans and the IDR process.

154. In this dispute, it was Sound Physicians, rather than HaloMD, who initiated the IDR on behalf of HMP. Kit O'Brien, a Dispute Resolution Coordinator employed by Sound Physicians and using the email address domain @soundphysicians.com, initiated the IDR on August 22, 2024. However, as the action was pending, HaloMD took up the mantle of pursuing this claim. When the IDRE made a final determination on the claim, notice was sent to soundnsa@halomd.com.

155. On the same day IDR was initiated, BCBSGA sent a letter to both HMP (addressed to a national Sound Physicians address in Los Angeles) and the IDRE stating that the services were ineligible for IDR because the member's plan type was not subject to the NSA.

156. Nevertheless, and as a result of the false attestations, BCBSGA was required to pay $1,761—an amount equal to HMP's billed charges and over ten times the applicable Medicare rate—as well as $855 in unnecessary IDR fees.

F. IDR Proceeding DISP-272456

157. The IDR proceeding captioned DISP-272456 involved emergency services that SPEMG provided to multiple patients during a period from October 21, 2022, to November 7, 2022. Of the thirteen patients whose services were disputed in this IDR, three were members of fully insured health plans subject to Georgia's surprise billing law, SBCPA, and ten were members of various self-funded plans. For each service, SPEMG billed $1,761 in charges. Its submission of claims to BCBSGA meant SPEMG accessed the patients' insurance information. BCBSGA approved reimbursement for the claims, with payment varying from $88.05 to $283.38, pursuant to the terms of the individual health plans at issue for the patients.

158. On February 21, 2023, Sound Physicians initiated the IDR on its own behalf (rather than HaloMD) and pursued all thirteen services as a batched payment dispute. The IDR initiation showed various payment amounts for the same service, which is a clear indicator that services were provided to patients with different health plans and plan terms.

159. BCBSGA objected to the disputes' eligibility, asserting that (1) certain services were subject to a specified state law, and (2) the NSA's batching rules and procedures were not followed because the dispute involved a mixture of insurer and self-funded health plan claims (batching must be according to the same insurer or self-funded health plan).

160. However, as a result of the false attestations, the IDRE ruled in favor of SPEMG and awarded $1,761 for each service. BCBSGA was required to pay additional amounts, up to $1,761 for each such service, as well as $980 in unnecessary IDR fees.

CLAIMS FOR RELIEF

COUNT 1 - VIOLATION OF RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS ACT ("RICO"), 18 U.S.C. § 1962(c)

161. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

162. At all relevant times, HaloMD and the Provider Defendants, individually, are "persons" under 18 U.S.C. §1961(3) because they are capable of holding, and do hold, "a legal or beneficial interest in property."

163. The Sound Physicians Enterprise and the individuals therein conduct their business—legitimate and illegitimate—through corporate entities, each of which is a separate legal entity. Defendants are each "persons" distinct from the Sound Physicians Enterprise.

164. The Sound Physicians Enterprise is an association-in-fact enterprise within the meaning of 18 U.S.C. § 1961(4), consisting of HaloMD and the Provider Defendants, including their employees, owners, and agents.

165. The Sound Physicians Enterprise is an ongoing organization that functions as a continuing unit. The Sound Physicians Enterprise was created for and used as a vehicle to effectuate a pattern of racketeering activity. The members

of the Sound Physicians Enterprise all shared a common purpose to enrich themselves at the expense of BCBSGA by fraudulently inducing and compelling BCBSGA to pay exorbitant amounts for services that were not eligible for the IDR process.

166. Each member of the Sound Physicians Enterprise played different roles in the NSA Scheme, is functionally distinct, and used their separate legal incorporation to facilitate the racketeering activity.

167. Defendants established the Sound Physicians Enterprise to fraudulently increase out-of-network reimbursements from payors like BCBSGA.

168. Defendants knew that their NSA Scheme violated state and federal laws.

169. Defendants made false statements, representations, and attestations to BCBSGA in furtherance of the NSA Scheme over the wires.

170. The Sound Physicians Enterprise engaged in and affected interstate commerce because, for example, the NSA Scheme sought and obtained money and property through its fraudulent scheme through false pretenses, representations, and statements transmitted by wire through multiple states and jurisdictions.

171. Section 1962(c) makes it "unlawful for any person employed by or associated with any enterprise engaged in, or the activities of which affect, interstate or foreign commerce, to conduct or participate, directly or indirectly, in

the conduct of such enterprise's affairs through a pattern of racketeering activity." 18 U.S.C. § 1962(c).

172. Defendants' racketeering activities, as alleged herein, directly and proximately caused harm to BCBSGA.

173. BCBSGA is entitled to treble damages and reasonable attorneys' fees pursuant to 18 U.S.C. § 1964(c).

174. Since on and before January 3, 2024, the Sound Physicians Enterprise has been engaged in the NSA scheme to increase its profits by knowingly submitting claims that were ineligible for the IDR process and knowingly demanding payments far in excess of commercially reasonable amounts.

175. From the patient's insurance cards, BCBSGA's EOPs, the plain text of federal laws and regulations, CMS publications and resources, their preparation of IDR initiation forms and notices, their participation in the IDR process, and the specific objections to eligibility that BCBSGA submitted to the Provider Defendants and to HaloMD, among other sources, Defendants knew that the services and disputes that they were initiating were ineligible for the IDR process. Yet Defendants continued to proceed with those services and disputes and initiate and falsely attest to the eligibility of additional ineligible services and disputes, despite their knowledge of ineligibility.

176. These predicate acts, committed by interstate wire, include: submitting services and disputes through the online IDR eligibility portal that

were ineligible for the IDR process; initiating hundreds of disputes at the same time and in such a way as to make it impossible for BCBSGA to reasonably identify and object to all ineligible disputes; demanding outrageous payments far in excess of their charges, much less a commercially reasonable amount; engaging in the IDR process in bad faith; and procuring payments from BCBSGA on claims that were ineligible for IDR via interstate wire and through the U.S. mail.

177. These predicate acts of wire fraud occurred regularly since approximately on and before January 3, 2024, and included electronic communication relating to the IDR process.

178. The Enterprise profited substantially from the enterprise, ultimately receiving millions in illicitly obtained credits from BCBSGA and further damaging BCBSGA by hundreds of thousands of dollars in additional fees. These IDR initiations were submitted via interstate wire facilities.

179. The participants in the RICO enterprise had systematic linkage to each other through contractual relationships, financial ties, shared correspondence, common addresses for correspondence and receipt of payment, and continuing coordination of activities. The Enterprise functioned as a continuing unit with the purpose of furthering the illegal scheme and their common purpose of increasing their revenues and profits. The Enterprise participated in the operation and management of the RICO enterprise by directing its affairs as described herein.

180. The Sound Physicians Enterprise conducted and participated in the affairs of the RICO enterprise through a pattern of racketeering activity that consisted of numerous and repeated violations of the federal wire fraud statute, which prohibits the use of any interstate or foreign mail or wire facility for the purpose of executing a scheme to defraud, in violation of 18 U.S.C. §§ 1341 and 1343.

181. The Sound Physicians Enterprise received payment for the fraudulent claims directly from BCBSGA through the interstate wire facilities in violation of 18 U.S.C. §§ 1341 and 1343. Each such payment constituted a separate wire fraud violation. Each of these violations was related because they shared the common purpose of defrauding BCBSGA.

182. At all relevant times, BCBSGA paid Defendants directly for the out-of-network services subject to the NSA Scheme.

183. These related acts had the same or similar purpose, results, participants, victims, and methods of commission, and are otherwise related by distinguishing characteristics which are not isolated events.

184. The Sound Physicians Enterprise had the specific intent to participate in the overall RICO enterprise, which is evidenced by its scheme to defraud BCBSGA.

185. The Enterprise conducted and participated both directly and indirectly in the conduct of the above-described RICO enterprise's affairs through a pattern of racketeering activity in violation of 18 U.S.C. § 1962(c). Specifically,

the claims submitted to the IDR process contained uniform misrepresentations that the claims were eligible for that process and contained inflated amounts.

186. Defendants directly injured and proximately caused harm to Plaintiffs in their businesses and property by reason of their racketeering activity.

COUNT 2 – CONSPIRACY TO VIOLATE RICO ACT, 18 U.S.C. § 1962(d)

187. BCBSGA incorporates by reference Paragraphs 1 through 186 as though fully set forth herein.

188. Section 1962(d) makes it unlawful for "any person to conspire to violate" Sections 1962(c), among other provisions. 18 U.S.C. § 1962(d).

189. At all relevant times, HaloMD and the Provider Defendants violated 18 U.S.C. § 1962(d) by conspiring together to violate 18 U.S.C. § 1962(c). The object of the conspiracy was to conduct or participate in, directly or indirectly, the conduct of the affairs of the Sound Physicians Enterprise in furtherance of the NSA Scheme through a pattern of racketeering activity.

190. At all relevant times, HaloMD and the Provider Defendants conspired to conduct the affairs of an enterprise through a pattern of racketeering activity that includes acts indictable under 18 U.S.C. §§ 1341 (mail fraud) and 1343 (wire fraud) and unlawful activity in violation of 18 U.S.C. § 1952 (use of interstate facilities to conduct unlawful activity).

191. Defendants have engaged in numerous overt and predicting acts in furtherance of the conspiracy, as set forth herein.

192. The nature of the NSA Scheme, including the material false statements, misrepresentations, and attestations in furtherance of the conspiracy, gives rise to an inference that they not only agreed to the objective of an 18 U.S.C. § 1962(d) violation of RICO by to violate 18 U.S.C. § 1962(c), but they were aware that their ongoing fraudulent acts have been and are part of an overall pattern of racketeering activity.

193. The Enterprise and the individuals therein conspired to violate Sections 1962(c), in violation of 18 U.S.C. § 1962(d).

194. Defendants' overt acts and predicate acts, as set forth more fully above, in furtherance of violating 18 U.S.C. § 1962(d) by conspiring to violate 18 U.S.C. § 1962(c), directly injured and proximately caused harm to Plaintiffs in their businesses and property by reason of their racketeering activity.

COUNT 3 – VIOLATION OF THE GEORGIA RICO STATUTE, O.C.G.A. § 16-14-4

195. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

196. The Georgia RICO statute, O.C.G.A. § 16-14-4, subsection (b), prohibits "any person employed by or associated with any enterprise to conduct or participate in, directly or indirectly, such enterprise through a pattern of racketeering activity."

197. The Enterprise engaged in a pattern of racketeering activity in violation of the Georgia RICO statute by knowingly submitting claims that were

ineligible for the IDR process and knowingly demanding payments in excess of commercially reasonable amounts. These claims were submitted, and these payments were received, through the use of interstate wire communications.

198. The Enterprise further conspired and/or endeavored to violate the Georgia RICO statute in violation of O.C.G.A. § 15-14-4, subsection (c). Defendants formed an "enterprise" under the Georgia RICO statute. Defendants had a common purpose to submit ineligible claims and obtain improper payments. Defendants worked together to do so, forming relationships among them of sufficient longevity to permit their coconspirators to pursue the enterprise's purpose.

199. BCBSGA suffered economic injury that flowed directly from the Enterprise's violations of the Georgia RICO statute and was proximately caused thereby.

200. As a result thereof, the Enterprise's conduct and participation in the racketeering activity described herein has caused millions of dollars in damages.

201. BCBSGA is also entitled to treble damages pursuant to O.C.G.A. § 16- 14-6, subsection (c).

COUNT 4 – COMMON LAW FRAUD/FRAUDULENT MISREPRESENTATION

202. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

203. For each of the IDRs initiated, Defendants submitted a completed version of the mandatory IDR notice of initiation to the Departments, to the IDREs, and to BCBSGA, 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.

204. The Provider Defendants, or HaloMD on behalf of the Provider Defendants, submitted the IDR notice of initiation in each dispute with full knowledge of, or at the very least with reckless disregard to, the falsity of this attestation. From the patient's insurance cards, BCBSGA's EOPs, the plain text of federal laws and regulations, CMS publications and resources, the Defendants' preparation of IDR initiation forms and notices, their participation in the IDR process, and the specific objections to eligibility that BCBSGA submitted to the Provider Defendants and to HaloMD, among other sources, Defendants knew that the services and disputes they were initiating were ineligible for the IDR process.

205. The Provider Defendants, and HaloMD on behalf of the Provider Defendants, nevertheless submitted these false attestations and did so with the intent that the IDRE and BCBSGA rely on them. According to federal law, "the certified IDR entity selected must review the information submitted in the notice of IDR initiation"— including Defendants' false attestations of eligibility—"to determine whether the Federal IDR process applies." 45 C.F.R. § 149.510(c)(1)(v). Even if BCBSGA contested eligibility, Defendants' deliberate

misrepresentation to the IDRE, on which the IDRE relied, forced BCBSGA to rely on the misrepresentation because once the IDRE determines the dispute is eligible, BCBSGA has no choice but to proceed with the process, submit a final offer, and allow the dispute the continue to a payment determination; any other approach would result in a default award against BCBSGA in favor of HaloMD and the Provider Defendant it represented for whatever outrageous amount HaloMD included in its final offer.

206. These false attestations of eligibility pertain to material facts in the IDR process because they go to the heart of the IDRE's jurisdiction to even hear the dispute.

207. The Provider Defendants, and HaloMD on behalf of the Provider Defendants, submitted the false attestations to receive a windfall for themselves, namely, IDR payment determinations in favor of Defendants and against BCBSGA regarding items or services that were ineligible for resolution through the IDR process.

208. At all times when submitting the false attestations and engaging in the relevant IDR disputes, HaloMD was acting within the scope of its agreements with the Provider Defendants to handle the IDR process for the Provider Defendants in connection with the identified disputes.

209. The Provider Defendants, and HaloMD on behalf of the Provider Defendants, also fraudulently misrepresented to BCBSGA during the statutorily required open negotiations process that the disputes were eligible for IDR and

involved qualified IDR items and services meeting the NSA and regulatory definitions of that term.

210. BCBSGA reasonably and justifiably relied on Defendants' misrepresentations during the open negotiations and IDR initiation process. As part of the fraudulent scheme described herein, Defendants' tactic to strategically flood the IDR process and overwhelm the system precluded BCBSGA from investigating each and every aspect of the thousands of disputes they submitted within the 30-day open negotiations window or within days after IDR initiation. Additionally, in some cases (such as when the patient waived balance billing protections), HaloMD and the Provider Defendants are the only entities in possession of information critical to BCBSGA's ability to assess a claim for IDR eligibility, such as information pertaining to the provider, types of services rendered, and patient records. As a result, BCBSGA justifiably relied on HaloMD's misrepresentation that the disputes were eligible for IDR and incurred significant monetary losses through incurring fees required by the NSA and in the form of IDR payment determinations finding against BCBSGA.

211. As a direct result of these misrepresentations by Defendants, BCBSGA has suffered substantial damages in the form of payment on IDR payment determinations that were ineligible for resolution through the NSA's IDR process.

COUNT 5 – NEGLIGENT MISREPRESENTATION

212. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

213. In submitting the false attestations of eligibility, the Provider Defendants, and HaloMD on behalf of the Provider Defendants, misrepresented material facts to the IDRE and BCBSGA regarding eligibility of the disputes to proceed to the IDR payment determination stage. From the patient's insurance cards, BCBSGA's EOPs, the plain text of federal laws and regulations, CMS publications and resources, Defendants' preparation of IDR initiation forms and notices, their participation in the IDR process, and the specific objections to eligibility that BCBSGA submitted to the Provider Defendants and to HaloMD, among other sources, Defendants knew that the services and disputes they were initiating were ineligible for the IDR process.

214. Defendants owed a duty of reasonable care to BCBSGA, under which they were required to conduct reasonable investigation, ensure the eligibility of the services for which they were initiating the IDR process, and guard against the submission of false attestations of eligibility leading IDREs to erroneously issue payment determinations in favor of Defendants for items or services that were not eligible for the IDR process.

215. The Provider Defendants, and HaloMD on behalf of the Provider Defendants, submitted these false attestations with the intent that the IDRE and BCBSGA rely on them. Even if BCBSGA contested eligibility, Defendants'

deliberate misrepresentation to the IDRE, on which the IDRE relied, forced BCBSGA to rely on the misrepresentation because, once the IDRE determines the dispute is eligible, BCBSGA has no choice but to proceed with the process, submit a final offer, and allow the dispute to continue to a payment determination; any other approach would result in a default award against BCBSGA in favor of HaloMD and the Provider Defendant it represented for whatever outrageous amount HaloMD included as the Provider Defendant's final offer.

216. The Provider Defendants and/or HaloMD on behalf of the Provider Defendants falsely represented during the statutorily required open negotiations process that the disputes were eligible for IDR and involved qualified IDR items and services meeting the NSA and regulatory definitions of that term.

217. BCBSGA reasonably, foreseeably, and justifiably relied on Defendants' misrepresentations during the open negotiations and IDR initiation process. As part of the fraudulent scheme described herein, Defendants' tactic was to flood the IDR process and overwhelm the system such that BCBSGA would be unable to investigate each and every aspect of the thousands of disputes often submitted on the same day within the 30-day open negotiations window or within days after IDR initiation. Additionally, HaloMD and the Provider Defendants are in some circumstances the only entities in possession of information critical to BCBSGA's ability to assess a claim for IDR eligibility, such as information pertaining to the provider, types of services rendered, and patient records. As a result, BCBSGA justifiably relied on HaloMD's

misrepresentation that the disputes were eligible for IDR and incurred significant monetary losses through incurring fees required by the NSA and in the form of IDR payment determinations finding against BCBSGA.

218. As a result of Defendants' misrepresentations, and BCBSGA's reasonable reliance on the same, BCBSGA, its plan sponsors, and BlueCard plans have suffered substantial damages in the form of payment on IDR payment determinations that were ineligible for resolution through the NSA's IDR process.

COUNT 6 – STATUTORY FRAUD

219. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

220. Fraud, accompanied by damage to the defrauded party, always gives a right of action to the injured party. O.C.G.A. § 51-6-1.

221. Georgia law provides such a right of action where there is a willful misrepresentation of material fact, made to induce another to act, upon which such person acts to his injury. O.C.G.A. § 51-6-2(a).

222. As detailed above, the Provider Defendants, and HaloMD on behalf of the Provider Defendants, willfully misrepresented to the Departments, the IDREs, and BCBSGA that the ineligible disputes were eligible for IDR resolution in the form of the false attestations of eligibility in the IDR initiation notices. These facts were material because they go to the critical issue of eligibility for the IDR process and the jurisdiction of the IDREs.

223. From the patient's insurance cards, BCBSGA's EOPs, the plain text of federal laws and regulations, CMS publications and resources, Defendants' preparation of IDR initiation forms and notices, their participation in the IDR process, and the specific objections to eligibility that BCBSGA submitted to the Provider Defendants and to HaloMD, among other sources, Defendants knew that the services and disputes they were initiating were ineligible for the IDR process.

224. As a result, BCBSGA was induced to act, and in fact did act, to its detriment and incurred injury as a result. Specifically, BCBSGA relied on Defendants' misrepresentations, and it was statutorily compelled to participate in IDR proceedings for ineligible services and disputes because the false attestations induced the IDREs to find that the IDR process applied and erroneously issue payment determinations in favor of HaloMD and the Provider Defendants.

225. BCBSGA, its plan sponsors, and BlueCard plans suffered significant monetary harm in the form of paying statutory fees associated with the ineligible IDR disputes, in addition to its payments to Defendants relating to IDRE payment determinations on the ineligible disputes.

COUNT 7 – THEFT BY DECEPTION

226. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

227. The Provider Defendants, and HaloMD on behalf of the Provider Defendants, submitted false attestations to the Departments, the IDREs, and BCBSGA that constitute theft by deception. Under Georgia law, a party commits

the crime of theft by deception when it "obtains property by any deceitful means or artful practice with the intention of depriving the owner of the property." O.C.G.A. § 16-8-3(a).

228. A party's conduct is deceitful for purposes of Section 16-8-3(a) when the party "[c]reates or confirms another's impression of an existing fact or past event which is false and which the accused knows or believes to be false" or "[f]ails to correct a false impression of an existing fact or past event which he previously created or confirmed." O.C.G.A. § 16-8-3(b).

229. While Section 16-8-3(a) is a criminal statute, "[a]ny owner of personal property shall be authorized to bring a civil action to recover damages from any person who … commits a theft as defined in Article 1 of Chapter 8 of Title 16 involving the owner's personal property." O.C.G.A. § 51-10-6(a).

230. Specific amounts of money paid to a party by wire or other means are specific and identifiable funds and so constitute personal property for purposes of Section 16-8-3(a).

231. As set forth in more detail above, HaloMD and the Provider Defendants acquired specific and identifiable funds from BCBSGA in the form of payment of IDR payment determinations by means of false attestations submitted to the Departments, IDREs, and BCBSGA.

232. HaloMD and the Provider Defendants obtained these funds from BCBSGA by creating the impression through its false attestations submitted to the Departments, IDREs, and BCBSGA that the services and disputes at issue

were eligible for IDR when Defendants knew that the impressions it was creating were false.

233. Defendants failed to correct these false impressions at any time after initiating the IDR process or after obtaining IDR payment determinations in favor of the Provider Defendants relating to claims that they knew were not eligible for the IDR process.

234. As a result of Defendants' deceit, BCBSGA was ordered to pay millions in ineligible IDR payment determinations.

235. BCBSGA is entitled to recover the funds that it paid to Defendants on ineligible IDR payment determinations, including any portion thereof retained by HaloMD as compensation under its arrangements with the Provider Defendants, for such awards pursuant to O.C.G.A. § 51-10-6(b)(1), as well as IDR fees that it paid in relation to such determinations.

COUNT 8 – CIVIL CONSPIRACY

236. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

237. HaloMD and the Provider Defendants conspired to implement the scheme described herein, resulting in harm to BCBSGA.

238. Specifically, each of the Provider Defendants retained HaloMD to represent them in the ineligible IDR disputes.

239. As detailed above, the Provider Defendants share the same address (including suite number), employ the same individual as their CEO, CFO, and

Secretary. Defendants also have access to each other's email domain addresses and relevant claims, services, and documentation.

240. Each co-conspirator played an integral role in carrying out the unlawful scheme, including providing funding, directing billing practices, and facilitating the submission of improper claims and IDR proceedings.

241. As a result of the orchestrated scheme between HaloMD and the Provider Defendants to submit material misrepresentations to the IDREs and BCBSGA regarding eligibility of the IDR disputes, BCBSGA, its plan sponsors, and BlueCard plans have suffered substantial damages in the form of payment on IDR payment determinations that were ineligible for resolution through the NSA's IDR process.

COUNT 9 – VIOLATION OF GEORGIA DECEPTIVE TRADE PRACTICES ACT, O.C.G.A. § 10-1-372

242. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

243. Defendants' conduct constitutes deceptive acts in violation of the Georgia Deceptive Trade Practices Act, O.C.G.A. § 10-1-372.

244. BCBSGA and Defendants are "person[s] under O.C.G.A. § 10-1-371(5), meaning Defendants are subject to the statute's prohibitions on certain deceptive practices, and BCBSGA is empowered to bring a claim relating to a violation of the Georgia Deceptive Trade Practices Act.

245. By falsely representing to the Departments, the IDREs, and BCBSGA that items or services were eligible for IDR resolution, the Provider Defendants, and HaloMD on behalf of the Provider Defendants, represented that the services in dispute were of a particular standard, quality, or grade (*i.e.*, that they were within the scope of the NSA and amendable to IDR) when, in fact, the services were not (*i.e.*, they were ineligible for IDR, despite Defendants' false attestations to the contrary in its IDR initiation notices), in violation of O.C.G.A. § 10-1-372(a)(7).

246. By falsely representing to the IDREs and BCBSGA that items or services were eligible for IDR resolution, Defendants also represented that the services in dispute had sponsorship, approval, or characteristics (*i.e.*, that they were within the scope of the NSA and amendable to IDR) when, in fact, the services did not (*i.e.*, they were ineligible for IDR, despite Defendants' false attestation to the contrary in its IDR initiation notices), in violation of O.C.G.A. § 10-1-372(a)(5).

247. When Defendants falsely represent to the Departments, the IDREs, and BCBSGA that items or services are eligible for IDR resolution when they are in fact ineligible, Defendants also engage in conduct that creates a likelihood of confusion or misunderstanding, on the part of the Departments, the IDRE, and BCBSGA, in violation of O.C.G.A. § 10-1-372(a)(12).

248. Defendants' acts have caused substantial economic harm to BCBSGA, its employer plan sponsor customers, and other BlueCard plans.

249. BCBSGA is entitled to an order enjoining these practices in violation of the statute, in addition to its costs and attorneys' fees in connection with bringing this action.

COUNT 10 – VACATUR OF IDR AWARDS (brought in the alternative)

250. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

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

252. 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).

253. 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).

254. HaloMD and the Provider Defendants 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 11 – ERISA CLAIM FOR EQUITABLE RELIEF

255. BCBSGA incorporates by reference Paragraphs 1 through 160 as though fully set forth herein.

256. BCBSGA provides claims administration services for certain health benefit plans governed by ERISA. Those health benefit plans and their employer sponsors delegate to BCBSGA discretionary authority to recover overpayments, including those resulting from fraud, waste, or abuse.

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

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

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

260. Defendants are continuing to engage in such improper conduct, including but not limited to failing to properly initiate or engage in open negotiations prior to initiating the IDR process, initiating IDR for beneficiaries of government program exempt from NSA requirements, initiating IDR for services subject to Georgia's specified state law, initiating IDR with respect to claims that BCBSGA denied and thus are exempt from the IDR process, and failure to comply with other NSA requirements such as the IDR batching rules or the cooling off period. This conduct causes ongoing harm to BCBSGA and the ERISA-governed benefit plans.

261. There is an actual case and controversy between BCBSGA and Defendants relating to the claims fraudulently submitted and arbitrated as part of the NSA IDR process.

262. BCBSGA seeks an order enjoining Defendants from:

a. Initiating IDR without first properly initiating and engaging in open negotiations;

b. Initiating IDR for beneficiaries of government program exempt from NSA requirements;

c. Initiating IDR for services subject to Georgia's specified state law;

d. Initiating IDR for services that BCBSGA denied and thus are not eligible for IDR; and

e. Initiating IDR for services when Defendants failed to comply with other NSA requirements such as the IDR batching rules and the cooling off period.

PRAYER FOR RELIEF

WHEREFORE, BCBSGA respectfully requests that the Court:

a. Vacate all improperly obtained NSA arbitration awards;

b. 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;

c. Declaratory relief in the form of an order finding that IDR awards for such unqualified IDR items or services are not binding;

d. Injunctive relief prohibiting Defendants from continuing to submit false attestations and 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;

e. Award compensatory, punitive, and exemplary damages;

f. Order the return of funds wrongfully obtained by Defendants;

g. Award costs, attorney's fees, and interest;

h. Declare that IDR awards issued on unqualified IDR items or services are non-binding and are not payable on a go-forward basis;

i. Grant such other and further relief as the Court deems just and proper.

JURY DEMAND

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

Respectfully submitted,

Dated: August 29, 2025

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CERTIFICATE OF SERVICE

I hereby certify that on August 29, 2025, I electronically filed the foregoing with the Court's E-Filing, which will send notification of such filing to all counsel of record.

/s/ James L. Hollis
James L. Hollis

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

COMMUNITY INSURANCE COMPANY D/B/A ANTHEM BLUE CROSS AND BLUE SHIELD, Plaintiff, v. HALOMD, LLC, ALLA LAROQUE, SCOTT LAROQUE, MPOWERHEALTH PRACTICE MANAGEMENT, LLC, EVOKES, LLC, MIDWEST NEUROLOGY, LLC, ONE CARE MONITORING, LLC, and VALUE MONITORING LLC, Defendants.	Civil Action No. 1:25-cv-00388-DRC District Judge: Douglas R. Cole

[PROPOSED] ORDER GRANTING MOTION FOR LEAVE TO FILE DEFENDANTS' SIXTH NOTICE OF SUPPLEMENTAL AUTHORITY

Having considered the Motion for Leave to File Defendants' Sixth Notice of Supplemental Authority, and any opposition thereto, it is hereby:

ORDERED that the Motion for Leave to File Defendants' Sixth Notice of Supplemental Authority is GRANTED.

It is FURTHER ORDERED that Defendants shall file their Sixth Notice of Supplemental Authority.

SO ORDERED on this ___ day of _____, 2026.

_____
Hon. Douglas R. Cole
United States District Judge