

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

Amir Shlesinger (SBN 20413)
ashlesinger@crowell.com
CROWELL & MORING LLP
515 South Flower Street, 41st Floor
Los Angeles, CA 90071-1514
Telephone: 213.443.5507

Martin J. Bishop (*pro hac vice*)
mbishop@crowell.com
Illinois Bar No. 6269425
Alexandra M. Lucas (*pro hac vice*)
alucas@crowell.com
Illinois Bar No. 6313385
Jason T. Mayer (*pro hac vice*)
jmayer@crowell.com
Illinois Bar No. 6309633
CROWELL & MORING LLP
455 North Cityfront Plaza Dr., Suite 3600
Chicago, IL 60611
Tel: 312.321.4200

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

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

Plaintiffs,

vs.

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

Defendants.

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

**AMENDED COMPLAINT AND
DEMAND FOR JURY TRIAL**

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

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

16 INTRODUCTION

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

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

1 wrongfully obtained awards.

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

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

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

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

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

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

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

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

27 ¹ <https://halomd.com>

28 ² *Id.*

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

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

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

21 THE PARTIES

22 **I. Plaintiffs**

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

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

1 California.

2 **II. The HaloMD Defendants**

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

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

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

14 **III. The MPOWERHealth Defendants**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Physicians' corporate headquarters.⁴

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

JURISDICTION AND VENUE

28. 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 NSA, 42 U.S.C. § 300gg-111, and the Employee Retirement Income Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 1001 *et seq.* The Court has supplemental jurisdiction over state law claims pursuant to 28 U.S.C. § 1367.

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

BACKGROUND

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

30. Anthem offers a broad range of health care and related plans, insurance contracts and services to its plan sponsor "members" and insureds who enroll in an Anthem plan, including fully insured and self-funded employee health benefit plans. Anthem 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, Anthem 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 ⁹ The "Departments" include HHS, the Department of Labor, and the Department of
the Treasury.

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

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

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

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

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

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

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

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

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

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

24 **Before starting:**

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

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

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

59. After agreeing to the terms and conditions, initiating parties must answer certain “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.

60. For example, one of the key 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:

61. Parties must exhaust a 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 federal IDR website will not permit the initiating party to proceed and seek payment for the service.

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

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

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

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

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The screenshot shows a digital form with a light blue border. At the top, there is a line of text: "* (required) ☐ I, the undersigned initiating party (or representative of the initiating party), attest that to the best of my knowledge the preferred certified IDR entity does not have a disqualifying conflict of interest and that the item(s) and/or service(s) at issue are qualified item(s) and/or service(s) within the scope of the Federal IDR process." Below this, there are two fields. On the left, it says "* (required) Initiating party (or representative of the initiating party):" followed by a text input box containing the placeholder "Print Name". On the right, it says "* (required) Date:" followed by a date input box containing the text "05/23/2025".

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

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

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

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

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

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

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



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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

19 9 U.S.C. § 10(a)(1)-(4).

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

1 administrative fee and the IDRE fee.

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

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

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

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

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

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

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

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

1 entities evaluate submissions.”¹²

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

4 **DEFENDANTS’ FRAUDULENT NSA SCHEMES**

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

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

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

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

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

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

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

91. 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.*, California’s Surprise Billing Laws); (2) services not covered by the patient’s plan; (3) disputes for which Defendants failed to initiate or pursue open negotiations; and (4) disputes already resolved or barred by timing rules.

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

93. Both NSA Schemes involve three related tactics. **First**, using interstate wires, Defendants make repeated false statements, representations, and attestations of eligibility to Anthem, the IDREs, and the Departments. **Second**, Defendants manipulate the IDR process by strategically submitting massive numbers of open negotiations and IDR initiations—hundreds of which are patently ineligible for IDR—in an attempt to overwhelm the ability of health plans like Anthem to contest claims, confuse and swamp IDREs, and manipulate the IDR process. **Third**, Defendants capitalize on flaws in the IDR process by submitting—and often prevailing with—outrageous payment offers 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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

109. 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 initiated in the last six months of 2024, and the top three initiating parties initiated about 43 percent of all disputes during that period. *Id.*

110. HaloMD is among the three most prolific filers of IDR process 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**.¹⁵ That means HaloMD was initiating an average of more than **746 disputes against health plans per day**. *See id.*

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

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

¹⁴ *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.pdf>.

¹⁵ *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>.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 **THE LAROQUE FAMILY ENTERPRISE**

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

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

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

27 ¹⁹ *Id.*

28 ²⁰ *Id.*

²¹ *Id.*

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

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

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

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

22 **I. The MPOWERHealth Defendants**

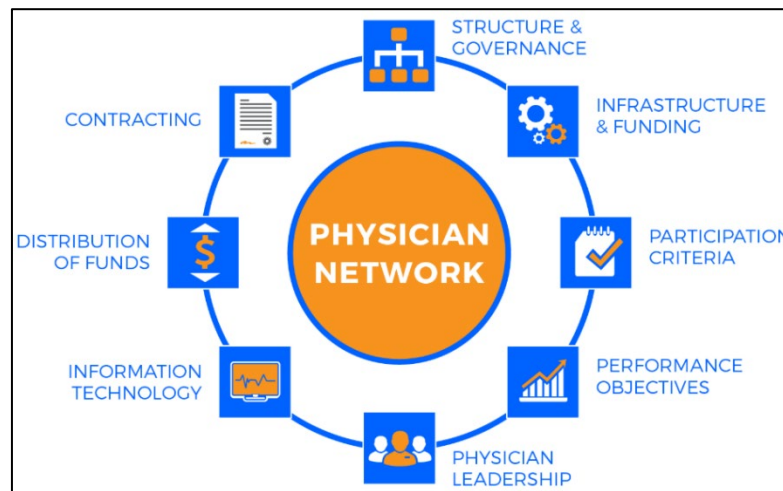
23 135. Defendant Scott LaRoque is the founder and CEO of MPOWERHealth.
24 Upon information and belief, as the founder and CEO, Scott LaRoque exercises both
25 managerial and operational control over MPOWERHealth and, by extension, the
26 LaRoque Family Providers.

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

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

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

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



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

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

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

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

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

140. The LaRoque Family Providers are all subsidiaries of MPOWERHealth, which centrally coordinates their IONM services and manages legal, billing, and IDR functions. According to National Plan and Provider Enumeration System (“NPPES”) records, Defendant Bruin’s Authorized Official is Dr. Robin Soffer, a neurologist who has been employed by Medsurant Monitoring since December 2015.²⁸ According to the National Provider Identifier (“NPI”) registry, Defendant Bruin is associated with a 100 Front Street, Suite 280, West Conshohocken, Pennsylvania, an address also associated with Medsurant Health. Medsurant Health is an MPOWERHealth subsidiary that consists of a “family of neuromonitoring practices.”²⁹

II. The LaRoque Family Providers

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

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

²⁶ <https://www.linkedin.com/in/roxy-LaRoque-88606340/>

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

²⁸

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

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

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

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

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

1 Director of Operations.³⁰

2 **III. The HaloMD Defendants**

3 148. Defendant Alla LaRoque, the wife of Defendant Scott LaRoque, is the
4 founder and President of HaloMD. She sits on the board of MPOWERHealth³¹ and
5 previously served as MPOWERHealth's Chief Operating Officer ("COO").

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

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

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

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

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

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

³² <https://halomd.com/alla-LaRoque/>

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

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

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

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

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

20 157. HaloMD operates on a commission-based reimbursement model. Its
21 website states: “We don’t get paid until you get paid.”³⁸ HaloMD thus has a financial
22 incentive to (1) push as many services as possible through the IDR process, regardless
23 of the merits or the applicability of the NSA to those disputes, and (2) seek the highest
24

25 ³³ See <https://halomd.com/>

26 ³⁴ See *id.*

27 ³⁵ *Id.*

28 ³⁶ *Id.*

³⁷ *Id.*

³⁸ *Id.*

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

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



23 159. Defendant Alla LaRoque was MPOWERHealth’s COO from January 2014
24 to at least January 2024, a position she held while also serving as the President of
25 HaloMD, which was founded in 2022.

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

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

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

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

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

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

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

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

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

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

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

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

A. Bruin Neurophysiology

DISP-918898 (Untimely IDR Initiation)

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

AUQ	This claim was paid according to the Federal No Surprises Act. The member is only responsible for their in-network copay, percentage of the cost (co-insurance), and deductible. You cannot bill the member for more. If you disagree with our decision, you can initiate the 30-day open negotiation period through Availity.com. Log onto Availity.com and select the Claims & Payments tab. Use the Claims Status application to find your claim. Select the Dispute button to attach additional supporting documentation and press Submit Attachments. If the dispute button is not available, use the Chat with Payer button on Availity.com.
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169. On July 17, 2023, HaloMD, acting on behalf of and in coordination with Bruin, sent a notice of open negotiation to ABCLH to initiate the federal IDR process. HaloMD sent a notice of Open Negotiation initiation to ABCLH via email to the Anthem IDR Email Address, using the email address medsurantarbitrationnsa@halomd.com with Ashonta.Whitehead@halomd.com copied. The open negotiation notice was signed by Megan Rausch (HaloMD), noted to be the “Provider Representative” at the 2915 W Bitters Address. HaloMD offered to negotiate an additional payment of \$125.18 for each of the two instances of service code 95886 provided to the ABCLH member.

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

171. Nearly four months after this letter, on January 12, 2024, HaloMD, on behalf of and in coordination with Bruin, using the email address nsa@halomd.com,

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

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

9 **B. North American Neurological Associates**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DISP-945678 (Ineligible State Law Claim)

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

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

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

198. On December 2, 2024, HaloMD, using the email address nsa@halomd.com, on behalf of and in coordination with N Express, initiated IDR and falsely certified the service as IDR-eligible.

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

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

1 **D. iNeurology**

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

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

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

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

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

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

26 **THE SOUND PHYSICIANS ENTERPRISE**

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

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

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

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

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

18 **I. Defendant HaloMD**

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

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

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

28 ⁴⁰ See <https://halomd.com/>

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

6 **II. The Sound Physicians Providers**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

227. On November 13, 2024, SPEMSC initiated a batched IDR using the email soundfedidr@soundphysicians.com. SPEMSC falsely attested that the services were qualified and within the scope of the federal IDR process despite the fact the dispute was ineligible for multiple reasons, including that SPEMSC inappropriately included

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

DISP-1289721 (Ineligible Medicaid Claim)

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

TOTAL APPROVED AMOUNT	44.60
TOTAL INTEREST	0.00
TOTAL NET AMOUNT DUE: MED1-CAL, LA	44.60

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 **CLAIMS FOR RELIEF**

24 **COUNT I**

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

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

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

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

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

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

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

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

26
27
28

COUNT II

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

(Against the Sound Physicians Enterprise)

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

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

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

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

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

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

4 **COUNT III**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5 **COUNT IV**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FRAUDULENT MISREPRESENTATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNT VI

FRAUDULENT MISREPRESENTATION

(Against All Members of the Sound Physicians Enterprise)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

precluded Anthem from investigating each and every aspect of the hundreds of disputes they submitted within the 30-day open negotiations window or within three days of IDR initiation, intending that Anthem would rely on these false representations of eligibility. Additionally, in some cases (such as when the patient waived balance billing protections), Defendants are the only entities in possession of information critical to Anthem's ability to assess a claim for IDR eligibility, such as information pertaining to the provider, types of services rendered, and patient records. Thus, Sound Physicians Providers and HaloMD knew Anthem was often incapable of knowing the falsity of the Sound Physicians Providers' and HaloMD's misrepresentations. As a result, Anthem justifiably relied on these misrepresentations 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 Anthem.

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

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

COUNT VII

NEGLIGENT MISREPRESENTATION

(Against All Members of the LaRoque Family Enterprise)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COUNT VIII

NEGLIGENT MISREPRESENTATION

(Against All Members of the Sound Physicians Enterprise)

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

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

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

1 concealment of the corporate actors filing the false attestations.

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

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

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

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

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

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

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

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

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

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

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

11 **COUNT IX**

12 **BUSINESS ACTS OR PRACTICES IN VIOLATION OF**

13 **CAL. BUS. & PROF. CODE §§ 17200 et seq.**

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

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

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

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

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

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

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

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

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

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

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

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

COUNT X

BUSINESS ACTS OR PRACTICES IN VIOLATION OF

CAL. BUS. & PROF. CODE §§ 17200 et seq.

(Against All Members of the Sound Physicians Enterprise)

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

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

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

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

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

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

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

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

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

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

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

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

COUNT XI

VACATUR OF IDR DETERMINATIONS

(Brought in the Alternative Against all Defendants)

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

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

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

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

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

COUNT XII

ERISA CLAIM FOR EQUITABLE RELIEF

(Against All Defendants)

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

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

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

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

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

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

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

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

28 367. Anthem seeks an order enjoining Defendants from:

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

COUNT XIII

DECLARATORY AND INJUNCTIVE RELIEF

(Against All Defendants)

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

369. Anthem seeks a declaration that the Provider Defendants' and HaloMD's conduct of submitting false attestations and initiating IDR for unqualified IDR items or services, and each Defendant's conduct causing the same, is unlawful. Anthem additionally seeks a declaration that IDR determinations for such unqualified IDR items or services are not binding or subject to payment. It further seeks an injunction prohibiting the Provider Defendants and HaloMD 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 IDR determinations entered on items and services not qualified for IDR.

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

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

PRAYER FOR RELIEF

WHEREFORE, Anthem respectfully requests that the Court:

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

JURY DEMAND

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

DATED: October 17, 2025

By: /s/ Jason T. Mayer

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