

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

BLUE CROSS BLUE SHIELD OF TEXAS,
A DIVISION OF HEALTH CARE SERVICE
CORPORATION, A MUTUAL LEGAL
RESERVE COMPANY,

Plaintiff,

v.

HALOMD, LLC, ALLA LAROQUE, and
SCOTT LAROQUE,

Defendants.

CIVIL ACTION NO. 5:25-CV-00132-RWS

**PLAINTIFF’S RESPONSE TO DEFENDANTS’ THIRD NOTICE OF
SUPPLEMENTAL AUTHORITY**

Similar to Defendants’ first and second notices of supplemental authority, Defendants’ third notice of supplemental authority does not support their pending motion to dismiss. Instead, the court’s decision in *UnitedHealthcare of Pennsylvania, Inc. v. NorthStar Anesthesia of Pennsylvania, LLC*, Case No. 25-7187 (E.D. Pa.), supports BCBSTX’s claims in this case.

The *NorthStar* court did not dismiss United’s claim as foreclosed by the NSA and require the plaintiff to seek congressional action, as Defendants suggest. Rather, it held that, because the amount in controversy was under \$75,000 and the case did not raise an embedded federal question, the court lacked “subject matter jurisdiction and [thus] dismiss[ed] without prejudice *to allow UnitedHealthcare to pursue its common law fraud claim against NorthStar in state court.*” D.E. 62, Ex. A at 8 (emphasis added).¹ The court further cited and relied upon numerous cases holding that the NSA does not supplant state law tort remedies. *Id.* at 16, 18.

Other relevant holdings include that:

¹ The *NorthStar* court’s subject matter jurisdiction analysis does not apply here. BCBSTX has plead diversity jurisdiction (which Defendants do not challenge), as well as federal question jurisdiction given its federal RICO claim. (D.E. 2 at 5-6).

- “[t]here is no dispute awards issued outside the Independent Dispute Resolution entity’s jurisdiction are not binding on the parties,” (*Id.* at 12)
- the IDRE “ignor[ed] UnitedHealthcare’s documents confirming the patient is enrolled in Medicaid,” (*id.* at 5)
- “there is no dispute the Act does not apply to Medicare, Medicaid, and other federal insurance programs.” (*id.* at 11); and
- “UnitedHealthcare’s common law fraud claim does not necessarily depend on a resolution of the No Surprises Act.” (*Id.*)

The portion of the opinion cited by Defendants is effectively dicta given the *NorthStar* court’s ultimate holding. While Defendants again ask this Court to find their conduct immune from suit, the law is clear: courts must interpret statutory limits on judicial review narrowly and in favor of review, only declining judicial review based on clear and convincing evidence. *See* ECF No. 21 at 10-11. As BCBSTX has explained previously, the relevant judicial review inquiry in the Fifth Circuit—again not addressed by *NorthStar*—is whether the alleged injury flows solely from the award, or whether it also seeks redress for harm separate and apart from the impact on the arbitration award. D.E. 61 at 2; D.E. 39 at 4; D.E. 21 at 13. Here, BCBSTX alleges a coordinated scheme to submit tens of thousands of ineligible claims, and seeks to recover damages including administrative costs, settlements, and operational burdens separate and apart from any award.

The *NorthStar* decision also addressed claims and facts not at issue here. United’s claims in *NorthStar* were asserted against an out of network provider. D.E. 62, Ex. A at 2-3. Here, none of the Defendants are providers, meaning a claim for vacatur is not available to BCBSTX. United’s claims were also limited to addressing the outcome of one single IDR proceeding, where the Defendant admitted the claim was submitted incorrectly and claimed in a sworn declaration that the submission was the result a data processing error. D.E. 62, Ex. A at 5. Here, BCBSTX’s claims put at issue a scheme to intentionally submit tens of thousands of ineligible claims.

NorthStar does not support dismissal, and in fact supports denying Defendants’ motion.

Respectfully submitted,

Dated: May 1, 2026

By: /s/John K. Harting

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CERTIFICATE OF SERVICE

I hereby certify that on May 1, 2026, a true and correct copy of the above was served via email through the Eastern District of Texas's CM/ECF system.

/s/ Joseph T. Janochoski
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