

**IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF TEXAS, TEXARKANA DIVISION**

HEALTH CARE SERVICE CORPORATION,)
A MUTUAL LEGAL RESERVE COMPANY,)

Plaintiff,

V.

ZOTEC PARTNERS, LLC,

Defendant.

Case No. 5:25-cv-00186-RWS

Judge Robert W. Schroeder III

DEFENDANT'S THIRD NOTICE OF SUPPLEMENTAL AUTHORITY

Defendant Zotec Partners, LLC (“Zotec”) respectfully submits this Third Notice of Supplemental Authority in further support of its pending Motion to Dismiss Plaintiff’s First Amended Complaint Or, In the Alternative, For More Definite Statement and To Partially Strike Plaintiff’s First Amended Complaint (“Motion to Dismiss” at ECF Nos. 25, 28, 50).

Since Zotec filed its Reply in support of its Motion to Dismiss (ECF. No. 50), and oral argument before the Court on said Motion to Dismiss (ECF No. 57), the Honorable Derrick K. Watson, Chief United States District Judge for the District of Hawaii, issued an order dismissing the action without leave to amend in *UnitedHealthcare Insurance Co. v. Maui Mem’l Emergency Medical Associates, Inc.*, No. 1:26-cv-00040-DKW-WRP, ECF No. 42 (D. Haw. July 7, 2026), attached hereto as **Exhibit A**. Zotec respectfully requests the Court consider this opinion.

Maui Memorial is another payor-side lawsuit challenging allegedly ineligible No Surprises Act (“NSA”) independent dispute resolution (“IDR”) submissions through fraud-based claims and declaratory and injunctive relief. There, UnitedHealthcare Insurance Company (“United”) sued Maui Memorial Emergency Medical Associates, Inc. (“Maui Memorial”) after Maui Memorial, through its billing vendor, initiated an NSA IDR proceeding for a claim United contended was

categorically ineligible for the IDR process. Ex. A at 3–4. United alleged that Maui Memorial falsely attested that the claim was within the scope of the federal IDR process, that United objected to eligibility during the IDR process, and that the IDR entity nevertheless entered a payment determination in Maui Memorial’s favor. *Id.* at 4–5. United then filed suit asserting a declaratory judgment claim and a common law fraud claim based on the allegedly false IDR attestation, seeking declarations that Maui Memorial’s conduct was unlawful and fraudulent, that Medicare and Medicaid claims are not eligible for IDR, that IDR entities lack authority over those claims, and that United was not obligated to pay awards issued on such claims. *Id.* at 5.

The District of Hawaii dismissed the action without leave to amend. *Id.* at 1, 12. While the court’s opinion primarily addresses the lack of federal question subject matter jurisdiction as it’s basis for dismissal, the court nevertheless expressly recognized the limited judicial review Congress authorized under the NSA and rejected United’s attempt to use a state law fraud theory as an alternate path to judicial review of allegedly ineligible IDR submissions. *Id.* at 1, 8–12. The court further explained that United’s choice to forgo the limited recourse Congress approved did “not provide United with a basis to expand the limited access to judicial review Congress has afforded parties through the IDR process—one that does not include pursuing a State law claim in federal court.” *Id.* at 2, 11 n.5.

That same reasoning supports dismissal here. Like United in *Maui Memorial*, HCSC seeks to convert alleged IDR eligibility defects and allegedly false IDR submissions into fraud-based claims and equitable relief outside the narrow review valves Congress authorized. Although *Maui Memorial* was decided on subject matter jurisdiction grounds, the court’s recognition of the NSA’s limited FAA-based review framework is consistent with Zotec’s dismissal argument that HCSC cannot evade the NSA’s restrictions on judicial review by repackaging challenges to IDR

eligibility determinations, payment determinations, and related fees as state law tort claims and requests for declaratory and injunctive relief.

Because the District of Hawaii's ruling is directly relevant to the legal issues presented in Zotec's Motion to Dismiss, Zotec respectfully requests that the Court consider *Maui Memorial* when ruling on the Motion to Dismiss.

Dated: July 10, 2026

Respectfully Submitted,

/s/ Joshua D. Arters

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CERTIFICATE OF SERVICE

I hereby certify that on July 10, 2026, a true and correct copy of the above was served on the following via email through the Eastern District of Texas's CM/ECF system.

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