UNITED STATES DISTRICT COURT
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

PLAINTIFF'S RESPONSE TO DEFENDANT'S FIFTH NOTICE OF SUPPLEMENTAL AUTHORITY

Defendant Zotec Partners, LLC's ("Zotec") Fifth Notice of Supplemental Authority (D.E. 69) addresses three decisions from the same judge in the District of Connecticut. *See Shareef Jandali Plastic Surgery LLC v. Cigna Health & Life Insurance Co.*, No. 3:25-CV-1168 (JCH), slip op. (D. Conn. July 21, 2026); *New England PA, LLC v. Cigna Health & Life Insurance Co.*, No. 3:25-CV-1472 (JCH), slip op. (D. Conn. July 21, 2026); and *Northeast Plastic Surgery Center, LLC v. Cigna Health & Life Insurance Co.*, No. 3:25-CV-1476 (JCH), slip op. (D. Conn. July 21, 2026). Those decisions are unpersuasive for several reasons, most importantly because they conflict with controlling Fifth Circuit authority. Moreover, even if the Court finds those decisions persuasive, their reasoning supports HCSC's position that HCSC's claims do not seek impermissible judicial review or constitute collateral attacks on IDR payment determinations.

First, the Connecticut decisions are distinguishable because they are directly contrary to Fifth Circuit law. There, providers sued to enforce unpaid IDR awards, and the district court concluded that the NSA permits those enforcement actions. *Jandali*, slip op. at 1, 9–19; *New England*, slip op. at 1, 8–12; *Northeast*, slip op. at 1, 8–12. The court's decision directly conflicts with the Fifth Circuit's *Guardian Flight* holding that there is no private right of action for providers to enforce IDR awards. *See Guardian Flight, L.L.C. v. Health Care Serv. Corp.*, 140 F.4th 271, 274–77 (5th Cir. 2025). Accordingly, these Connecticut decisions not only arise from materially different facts but also rest on a legal premise that is contrary to binding Fifth Circuit precedent.

Second, Zotec's reliance on the Connecticut decisions is internally inconsistent. Zotec acknowledges that the Connecticut court reached a result contrary to *Guardian Flight* on the provider-enforcement issue and urges the Court to ignore that aspect of the opinions. D.E. 69 at 1–2. Yet Zotec simultaneously asks the Court to adopt the Connecticut court's reasoning on eligibility to extend *Guardian Flight* beyond its actual holding. There is no basis to selectively import only those portions of the nonbinding decisions that it believes favor Zotec while disregarding the portions that conflict with controlling Fifth Circuit precedent.

Third, the Connecticut court's eligibility analysis is unpersuasive because it does not meaningfully engage with the text of the NSA. Rather than analyzing the judicial-review provision itself, the court largely concluded that eligibility could not be revisited because Cigna could have raised its objections during the IDR process. *See Jandali*, slip op. at 20–22; *New England*, slip op. at 12–15; *Northeast*, slip op. at 13–15. But the court never explains why eligibility is encompassed in 42 U.S.C. § 300gg-111(c)(5)(E), even though subparagraph (A) speaks only in terms of an IDRE's payment determination. Nor does the court grapple with the distinction between reviewing an IDR entity's payment determination and deciding whether the dispute was properly subject to the IDR process in the first place. Moreover, even if it were relevant whether Cigna could have raised the eligibility issue during the IDR process, the court fails to analyze whether IDREs consider such objections. Indeed, the regulations were recently amended to ***remove*** the language directing IDREs to review only the "notice of IDR initiation" and replace it with language requiring review of "information in the notice of IDR initiation, notice of IDR initiation response, and any additional information [provided in response to a request by an IDRE.]" *See* Federal Independent Dispute Resolution Operations, 91 Fed. Reg. 33900, 33942, 34075 (June 4, 2026). Had IDREs previously been required to review objections to eligibility, this change would not have been needed.

Fourth, to the extent the Court finds the Connecticut decisions persuasive, their reasoning supports HCSC's position. In holding that providers may enforce IDR awards, the Connecticut court repeatedly distinguished between enforcing an award and reviewing its merits, reasoning that a court may grant certain types of relief without second-guessing the IDRE's payment determination. *See, e.g.*, *Jandali*, slip op. at 13–14. While the court's conclusion ordering enforcement of IDR determinations was flawed, as explained above, a more logical application of that same reasoning supports HCSC's argument that adjudicating claims regarding fraud at the threshold ***eligibility*** stage does not require judicial review of the IDREs' ***payment determinations***.

Fifth, much of Zotec's notice is not supplemental authority at all. The notice devotes substantial attention to *Guardian Flight*, *HaloMD*, and HCSC's positions in other litigation. D.E. 69 at 2–3. Those authorities and arguments were available long before the notice was filed. To the extent Zotec seeks to use a notice of supplemental authority to reargue issues already before the Court, the Court should disregard those arguments.

For these reasons, the Connecticut decisions do not support Zotec's position. They conflict with controlling Fifth Circuit precedent, arise from materially different facts, and provide little analysis of the statutory text on the issues relevant here. To the extent the Court finds the decisions instructive, they support, rather than undermine, HCSC's arguments regarding judicial review and collateral attack.

Dated: July 28, 2026

By: */s/ John K. Harting*

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CERTIFICATE OF SERVICE

I, John K. Harting, hereby certify that on July 28, 2026, a true and correct copy of the above was served via e-mail through the Eastern District of Texas's CM/ECF system.

s/John K. Harting
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