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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

ANTHEM BLUE CROSS LIFE AND HEALTH INSURANCE COMPANY, a California corporation, et al.,

Plaintiffs,

v.

PRIME HEALTHCARE SERVICES – ST. FRANCIS, LLC, et al.,

Defendants.

Case No. 8:26-cv-00023

REPLY IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS

Hearing Date: July 14, 2026
Hearing Time: 10:00 a.m.
Court Room: 9B

Honorable Mónica Ramírez Almadani
United States District Judge

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INTRODUCTION

Anthem's Opposition recycles the same arguments that have been rejected wholesale by both courts that have addressed Anthem's contentions thus far—including this one. *See Anthem Blue Cross Life & Health Ins. Co. v. HaloMD LLC*, 2026 WL 982629 (C.D. Cal. Apr. 9, 2026) ("*HaloMD CA*"); *Blue Cross Blue Shield of Tex. v. HaloMD, LLC, et al.*, 2026 WL 1557492 (E.D. Tex. May 22, 2026) ("*HaloMD TX*"). Other courts have joined this year in rejecting similar theories of liability. *See, e.g.*, *Aetna Health, Inc. v. Radiology Partners, Inc.*, 2026 WL 1556164 (M.D. Fl. Apr. 16, 2026); *UnitedHealthcare of Pa., Inc. v. NorthStar Anesthesia of Pa., LLC*, 2026 WL 1145885 (E.D. Pa. Apr. 28, 2026); *Guardian Flight LLC v. Aetna Life Ins. Co.*, 2026 WL 1734646 (D. Conn. June 16, 2026). This Court should again refuse Anthem's attempt to rewrite the federal No Surprises Act ("NSA") to allow thousands of final arbitration awards to be second-guessed and overturned.

In the NSA, Congress sharply limited "judicial review" of IDRE determinations. 42 U.S.C. § 300gg-111(c)(5)(E)(i). Yet, Anthem asks this Court to ignore this limitation on the basis that Congress, in Anthem's view, meant to permit judicial review of all aspects of IDRE determinations except the final payment amount. According to Anthem, the courthouse doors stand open to second-guess every IDRE's eligibility determination with zero limitations. That makes no sense considering the statute's text and the statutory and regulatory scheme.

Anthem's Opposition attempts to rewrite applicable law, ignoring both Anthem's obligation to challenge eligibility and arbitrators' responsibility for adjudicating the issue. For example, Anthem asserts the regulation provides that "health plans **may** submit eligibility objections through the IDR Portal," Opp. to Mot. to Dismiss, Dkt. 46, at 3 (hereafter "MTD Opp.") (emphasis added), but the regulation actually states that "if the non-initiating party believes that the Federal IDR process is not applicable, the non-initiating party **must** also provide information regarding the Federal IDR process's inapplicability through the Federal IDR portal."

45 C.F.R. § 149.510(c)(1)(iii) (emphasis added). Anthem may prefer otherwise, but the regulation mandates that the non-initiating party raise any eligibility objections to the IDRE.

Likewise, Anthem suggests that IDRE arbitrators ignored their duties, arguing that "perverse economic incentive[s]" have "compromised" their judgments. MTD Opp. 3. But IDREs operate under the fee structure established by Congress, and they are required to assess eligibility: "For all disputes, the certified IDR entity must confirm dispute eligibility before the dispute can proceed. These reviews involve complex eligibility determinations that require certified IDR entities to expend considerable time and resources."[1] Anthem's assertions about the IDREs also contradict its pleadings, which admit that IDREs have considered Anthem's eligibility challenges and dismissed disputes on eligibility grounds, while sometimes going out of their way to request supplemental information from Anthem to assist in making the eligibility determinations which Anthem now argues the IDREs totally ignore. *See* Compl., Dkt. 1, at ¶¶ 94, 128–30.

Moreover, while Anthem's claims posit that every dispute ruled ineligible evidences fraud, recent agency commentary **cited by Anthem** contradicts this premise. *See* MTD Opp. 3 n.2, 6, 10 (citing Federal Independent Dispute Resolution Operations, 91 Fed. Reg. 33900 (June 4, 2026)). "[E]ligibility determinations can be extremely complex, particularly in States where certain items and services are covered by specified State laws and others are 'qualified IDR items and services' eligible for the Federal IDR process." 91 Fed. Reg. 33900, 33942 (June 4, 2026). Given these challenges, "there are many reasons why an ineligible dispute may be submitted to the Federal IDR process[,]" including due to the actions of the "non-initiating part[y.]" *Id.* at 33989.

[1] Exhibit D, *Supplemental Background on Federal Independent Dispute Resolution Public Use Files, January 1, 2025 – June 30, 2025*, at 3, https://www.cms.gov/files/document/federal-idr-supplemental-background-2025-q1-2025-q2.pdf.

The chasm between Anthem's characterizations and reality exposes the fatal flaws in Anthem's fraud theory. Congress and agencies designed the IDR process for providers and insurers to expeditiously resolve payment disputes and purposely intended the resulting awards to be final and not judicially reviewable—both for efficiency and to avoid swamping federal courts with messy, small-dollar insurance disputes. As part of the IDR process design, Anthem—admittedly aware of alleged ineligibility from the beginning—must raise its objections to the IDREs. The IDREs are then charged with ruling on Anthem's eligibility challenge, and only after finding eligibility does the IDRE make the payment determinations about which Anthem now complains.

Anthem now seeks to reframe these unfavorable arbitration results as a sprawling Unfair Competition Law claim, attempting to relitigate binding awards and deter medical providers from using the federally-mandated process in the future. Anthem is not entitled to another bite at the apple. Its claims against Prime Hospitals must be dismissed.

ARGUMENT

I. Anthem Mischaracterizes the Scheme the NSA Established in an Attempt to Rewrite the NSA via Lawsuit.

Pervading Anthem's Opposition are its many criticisms of the comprehensive process Congress designed: disparaging the incentives for IDREs, the effectiveness of processes, the thoroughness of reasoning provided for determinations, and the provider-favorable results. *See* MTD Opp. 3–5, 16, 18. This is unsurprising, because Anthem recognizes that it loses this case under the law as enacted by Congress, so it must try to evade it.

Anthem attacks the IDR process as a flawed "honor system," MTD Opp. 1, but this is a policy critique of Congress's design choices, not a legal justification for denying dismissal. As courts considering the NSA have recognized, "the wisdom of Congress's policy choice is beyond [courts'] judicial ken." *Guardian Flight, L.L.C.*

v. Health Care Serv. Corp., 140 F.4th 271, 277 (5th Cir. 2025). Anthem's complaints are properly directed to Congress, which "designed the IDR process to create an efficient and streamlined vehicle for a certain category of disputes, all designed to minimize costs." *Reach Air Med. Servs. LLC v. Kaiser Found. Health Plan Inc.*, 160 F.4th 1110, 1119 (11th Cir. 2025) (alterations omitted). Equally important, Congress did not want litigation, discovery, and trial in federal court over IDREs' "binding" decisions. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(I).

Anthem also asserts IDREs "are not impartial" because they "only receive payment if they agree that a dispute is eligible." MTD Opp. 18. But as Anthem concedes, this is by congressional design. *See* MTD Opp. 3 (describing IDREs' incentives as "a creature of statute"). Taking Anthem's assertion to its ultimate conclusion, every paid arbitrator would be biased against every defendant. That is not the case. *See HaloMD CA*, 2026 WL 982629, at *8. Tellingly, Anthem does not seek vacatur under 9 U.S.C. § 10(a)(2) for "evident partiality" of "the arbitrators." Nor could it, as it does not allege that the high bar for vacatur was met in any of the thousands of arbitrations at issue. *See Reach Air*, 160 F.4th at 1119. Anthem's pleading also contradicts its suggestion that IDREs are not doing their jobs, conceding that IDREs screen out many ineligible disputes. Compl. ¶ 94.

Congress built in safeguards to ensure procedural integrity: Regulators must ensure that IDREs are free from any conflict of interest with the parties, 42 U.S.C. § 300gg-111(c)(4)(F)(i)(III), and IDREs must show expertise in arbitration, claims administration, managed care, billing and coding, and health care law, as well as adequate staffing and fiscal integrity, *id.* § 300gg-111(c)(4)(A); 45 C.F.R. § 149.510(e)(2)(i)–(iii), (vi). Parties can petition to revoke an IDRE's certification. 42 U.S.C. § 300gg-111(c)(4)(D). Regulators have added to those safeguards. For "errors identified after dispute closure," parties can re-open closed arbitration proceedings for "jurisdictional error[s]" such as where the IDRE "incorrectly

determines" eligibility.[2] Anthem addresses none of these options, instead preferring to attack IDREs' integrity in litigation rather than follow the avenues for relief established by Congress and regulators.

The *HaloMD CA* court saw Anthem's policy attacks for what they were. There, as here, Anthem "urge[d] the Court not to apply the NSA's limits on judicial review because the IDR process is deeply flawed and there is no readily available remedy for erroneous IDR awards." *HaloMD CA*, 2026 WL 982629, at *9. The Court rejected "such policy-based arguments" as "better directed at Congress which alone has the power to rewrite the NSA." *Id.* Anthem's attempts to rewrite the NSA should fare no better here.

II. Anthem Improperly Seeks a Do-Over of IDRE Determinations It Lost.

Beyond re-launching misguided attacks on Congress's process design choices, Anthem's Opposition concedes that this lawsuit targets IDR determinations that Anthem already lost. Such collateral litigation is precluded for a host of reasons. First, the NSA's judicial-review bar largely eliminates this Court's subject-matter jurisdiction. Second, Noerr-Pennington forecloses Anthem's attempt to impose liability for Prime Hospitals' constitutionally-protected petitioning activity. Third, issue preclusion prevents Anthem from relitigating eligibility disputes it lost in prior proceedings.

A. This Court Lacks Subject-Matter Jurisdiction Over Anthem's Claims Other than Vacatur.

Anthem agrees—as it must—that Congress stripped federal courts of jurisdiction to review determinations made in IDR proceedings under § 300gg-111(c)(5)(E)(i). MTD Opp. 5. Anthem instead insists that this judicial-review bar applies only to IDREs' "payment" determinations, not any other aspect of the underlying arbitration process. *Id.* at 5–8. Anthem further asserts that this bar can

[2] Exhibit C, CMS, *Federal Independent Dispute Resolution (IDR) Technical Assistance for Certified IDR Entities and Disputing Parties* at 1, 3 (June 2025), https://www.cms.gov/files/document/idr-ta-errors-after-dispute-closure.pdf.

be avoided completely by repackaging its allegations into claims under California's Unfair Competition Law and ERISA. *Id.* at 8–12, 20–22. Neither argument has merit.

The NSA Judicial-Review Bar Applies Here. In an attempt to salvage subject-matter jurisdiction, Anthem argues that Congress somehow only stripped jurisdiction for "payment determinations," not underlying "eligibility determinations." *Id.* at 7. Anthem has tried this argument before, yet **no court** has accepted the insurer's manufactured exception to the NSA's broad bar on judicial review. *See HaloMD CA*, 2026 WL 982629, at *9. This Court should not be the first.

The applicable provision states, "[a] determination of a certified IDR entity under subparagraph (A) . . . shall not be subject to judicial review[.]" 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). As explained in Prime Hospitals' Motion to Dismiss, this "determination" necessarily includes decisions about eligibility because "subparagraph A" of § 300gg-111(c)(5) encompasses all of the IDRE's work. Memo. ISO Mot. to Dismiss, Dkt. 41-1, at 12 (hereafter "MTD"). No other section of the statute addresses eligibility rulings. As the *HaloMD TX* court explained in rejecting this argument, "[s]ubparagraph (A) also makes clear that the amount of payment is 'a determination for a qualified IDR item or service.' This suggests that Congress did not intend to impliedly provide an avenue for challenging eligibility decisions while expressly foreclosing judicial review of the IDR entities' payment determinations." *HaloMD TX*, 2026 WL 1557492, at *4.

Anthem counters that the Court should narrowly construe the judicial-review bar because the NSA does not **specifically** state that "eligibility determinations" are covered in addition to "payment determinations." MTD Opp. 5–8. But that ignores both the governing regulations and broader statutory context. Congress specifically required that the agencies "establish by regulation" the "dispute resolution process" for this scheme. 42 U.S.C. § 300gg-111(c)(2)(A). That regulatory scheme facilitates the "payment" determination that is binding and excluded from judicial review. *Id.*

And it is under this statutory authorization that the agency has established the process by which IDREs determine eligibility as a predicate to issuing awards. *See* 45 C.F.R. § 149.510(c)(1)(v). Anthem cannot deny that IDREs are not only authorized but required to assess and rule on eligibility. That reality further confirms that eligibility determinations—as essential parts of the IDR regulatory process—cannot be second-guessed in court unless they fall within the narrow circumstances Congress permitted. *Cf. Patel v. Garland*, 596 U.S. 328, 344 (2022) (statutory bar on judicial review of a final removal order "also precludes review of [the final order's] factual support" (citation omitted)).

Kucana v. Holder does not counsel otherwise. 558 U.S. 233 (2010). There, the Supreme Court held that a jurisdictional bar of discretionary immigration decisions "specified under this subchapter" referred only "to statutory, but not to regulatory, specifications." *Kucana*, 558 U.S. at 237. Here, the NSA's jurisdictional bar applies to all determinations made under subsection (A), which courts have consistently held necessarily includes eligibility determinations. *See HaloMD TX*, 2026 WL 1557492, at *4.

Anthem urges this Court to eschew plain meaning and artificially narrow the judicial-review bar to accommodate the "strong presumption in favor of judicial review[.]" MTD Opp. 5 (quoting *SAS Inst., Inc. v. Iancu*, 584 U.S. 357, 370 (2018)). Anthem neglects to mention this "strong presumption" arises in the context of Administrative Procedure Act challenges against government agencies. *SAS Inst.*, 584 U.S. at 370; *see Salinas v. United States R.R. Ret. Bd.*, 592 U.S. 188, 196 (2021); *Cuozzo Speed Techs., LLC v. Lee*, 579 U.S. 261, 273 (2016). There are more than a few problems with Anthem's approach. To start, in relying on *SAS*, *Salinas*, and *Cuozzo*, Anthem concedes that IDREs **are government actors** wielding administrative authority. *See Salinas*, 592 U.S. at 196 (explaining the "strong presumption" concerns "judicial review of administrative action." (citation omitted)). This admission runs headlong into Anthem's arguments elsewhere labeling IDR

"non-public" proceedings before "private" IDREs. MTD Opp. 14–16; *see* Opp. to Special Mot. to Strike, Dkt. 47, at 4–9 (hereafter "MTS Opp."). Anthem cannot have it both ways. By contending that IDREs are government actors for reviewability purposes, Anthem has admitted that IDREs are also government actors for purposes of Noerr-Pennington and California's anti-SLAPP provision. MTD Opp. 14–16; *see* MTS Opp. 4–9. Either way, Anthem loses. Anthem appears to recognize this tension, as it omits the phrase "of administrative action" when quoting *Salinas*. *See* MTD Opp. 5.

In any event, Anthem overstates the presumption. Congress need not use "magic words" to establish a jurisdictional bar to review. *Riley v. Bondi*, 606 U.S. 259, 261 (2025) (citation omitted). Rather, Congress can withhold jurisdiction through language that "sets the bounds of the 'court's adjudicatory authority.'" *Santos-Zacaria v. Garland*, 598 U.S. 411, 416 (2023) (citation omitted). Here, Congress stated an unambiguous intent to withhold jurisdiction when stating that IDRE determinations "shall not be subject to judicial review" save for certain exceptions. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). Any baseline "presumption" favoring review has thus been "overcome, [because] the congressional intent to preclude judicial review is 'fairly discernible in the statutory scheme.'" *Block v. Cmty. Nutrition Inst.*, 467 U.S. 340, 351 (1984) (citation omitted).

Unable to make its case using the NSA's text, Anthem takes out of context a portion of one sentence from lengthy background to the latest (not yet effective) Final Rule from HHS. Anthem quotes the clause stating the NSA "does not contemplate an eligibility determination process" to contend that the entire statutory scheme reserves eligibility determinations for judicial review, rather than subjecting them to the statute's broad judicial review bar. MTD Opp. 6 (quoting 91 Fed. Reg. 33900, 33942–44 (June 4, 2026)).

Anthem vastly misconstrues the commentary. There, in reality, HHS expressly recognized that, because the NSA's text does not explicitly state the

process by which IDREs adjudicate eligibility, the agency has provided guidance regarding that very point, including "when a certified IDR entity . . . must determine whether an item or service is a qualified IDR item or service, as defined in 29 CFR 2590.716–8(a)(2)(xi) and 45 CFR 149.510(a)(2)(xi)", and it reiterated the point it has repeatedly made in prior guidance: that under the NSA "[IDREs] (or the Departments) **must determine** whether an item or service submitted for the Federal IDR process . . . is eligible for resolution[.]" 91 Fed. Reg. 33900, 33941 (June 4, 2026) (emphasis added). Indeed, the Department rejected a request to require eligibility determinations to be performed by non-IDREs and reiterated "the Departments maintain that certified IDR entities are best positioned to make eligibility determinations." *Id*. at 33944. All of this, of course, is pursuant to the authority Congress granted for the agencies to supply the necessary procedural rules in administering the NSA IDR process. 42 U.S.C. § 300gg-111(c)(2)(A). The agency's consistent reading of the statute to contemplate IDREs assessing eligibility only further confirms that "subparagraph A" encompasses eligibility determinations. *See HaloMD CA*, 2026 WL 982629, at *9 ("An IDRE's payment determination necessarily includes a determination of eligibility. [Anthem's] proposed reading of [the NSA], which would impose *no* limits on judicial review of IDREs' eligibility determinations, would be clearly contrary to the streamlined dispute resolution process that Congress intended when it created the NSA's IDR process.").

Anthem also points to regulations which, in Anthem's view, implicitly interpret the judicial-review bar as applicable only to payment determinations. MTD Opp. 7. Those regulations state that IDRE determinations under "paragraph (c)(4)(ii)" are not subject to judicial review. 45 C.F.R. § 149.510(c)(4)(vii). With this in mind, Anthem points out that the regulations describe eligibility assessments under paragraph (c)(1)(v), not (c)(4)(ii). MTD Opp. 7. On this slender reed, Anthem hopes to unravel Congress's judicial-review bar and convert this trial court into an appellate body for the *de novo* review of thousands of eligibility determinations by

IDREs.

Anthem gets it wrong again: As the *HaloMD TX* court held, the process described in paragraph (c)(4)(ii) necessarily requires IDREs to make the eligibility determination that a dispute is in fact a "qualified IDR item" when the IDRE makes a payment determination. 45 C.F.R. § 149.510(c)(4)(ii); *see HaloMD TX*, 2026 WL 1557492, at *4. Paragraph (c)(1)(v), by contrast, simply clarifies that requirement and sets the eligibility review "process" which Congress intended HHS to supply. 91 Fed. Reg. 33900, 33942 (June 4, 2026).

Finally, the "consequences" further "underscore[] the implausibility of [Anthem's] interpretation." *Van Buren v. United States*, 593 U.S. 374, 393–94 (2021). Anthem does not dispute that Congress wanted to efficiently resolve these "extremely complex" out-of-network disputes. 91 Fed. Reg. 33900, 33942 (June 4, 2026). Nor does Anthem dispute that Congress preferred "an administrative enforcement mechanism" to "handle most award disputes instead of throwing open the floodgates of litigation." *Guardian Flight*, 140 F.4th at 277. So Congress prudently channeled these disputes into a "binding" IDR process, 42 U.S.C. § 300gg-111(c)(5)(E)(i)(I), paired with "a strictly limited form of judicial review" for collateral challenges. *Id*. Anthem's manufactured exclusion to Congress's jurisdictional restriction would swallow the rule, inviting piecemeal collateral attacks on anything deemed a "non-payment" aspect of the IDR process. Congress imposed no such self-defeating exclusion; this Court should not create one.

Should any doubt remain, Anthem's claims are foreclosed for the additional reason that Anthem **is** challenging payment determinations—not just eligibility determinations. Anthem intertwines its claims on the basis that IDREs awarded purportedly inflated amounts. *See, e.g.*, Compl. ¶¶ 87–89, 130, 137; MTD Opp. 4. Courts routinely read similar bars to include predicate determinations. *See Novo Nordisk Inc. v. Sec'y U.S. Dep't of Health & Hum. Servs.*, 154 F.4th 105, 112 (3d Cir. 2025) (precluding judicial review because "an argument that CMS did not

comply with a statutory mandate in making a particular determination is still a challenge to that determination").

The Judicial-Review Bar Limits Challenges to Vacatur Alone. Anthem next insists that its claims can proceed in the face of the judicial-review bar because the "NSA does not incorporate the FAA's procedural provisions, much less impose them as exclusive remedies." MTD Opp. 8. This is a red herring. Whether or not other FAA provisions are incorporated, Congress made clear any challenge to a "determination of a certified IDR entity . . . shall not be subject to judicial review, except in a case described in" subparagraph (a) of § 10 of the FAA. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II); *see* 9 U.S.C. § 10(a). That subparagraph provides only that a court "may make an order vacating the award" in certain limited circumstances. 9 U.S.C. § 10(a). So § 10(a) alone established the "exclusive" basis of "vacatur" for challenging certain awards. *Biller v. Toyota Motor Corp.*, 668 F.3d 655, 664 (9th Cir. 2012). The "weight of authority" has adopted this view. *Aetna Life*, 2026 WL 1734646, at *4; *see Radiology Partners*, 2026 WL 1556164, at *4. Prime Hospitals need not (and do not) invoke any other section to enforce the judicial-review bar. *Contra* MTD Opp. 8–9.

Because all Anthem's claims besides vacatur fall outside § 10(a), this Court has recognized that the judicial-review bar applies. *HaloMD CA*, 2026 WL 982629, at *4 ("[A]side from vacatur . . . the NSA precludes judicial review of IDR determinations, regardless of the legal theory under which judicial review is sought[.]"). Indeed, Anthem's affiliate (represented by the same counsel as here) made this very point to another federal court: "'[t]he NSA expressly bars judicial review of IDR awards except as to the specific provisions borrowed from the FAA' pertaining to **vacatur**." *T.V. Seshan v. Bluecross Blueshield Ass'n*, No. 7:25-cv-00499, Dkt. No. 43 at 6 (S.D.N.Y. July 3, 2025) (emphasis original) (citing *Guardian Flight*); *see id.* at 8 ("[T]he NSA states that IDR determinations 'shall not be subject to judicial review, except in a case described in' the FAA's vacatur provisions."

(emphasis and citation omitted)). Anthem's affiliate was correct.

Similarly, Anthem contends that this lawsuit is not actually a collateral attack on the IDR proceedings. MTD Opp. 11–12. That ignores reality. Anthem's repeated critiques of Congress's scheme—challenging the IDRE's incentives and the propriety of their determinations—confirm that this case is indeed a collateral attack. *See supra* Part I. And Anthem's specific choice to allege "vacatur" in the "alternative" to all other claims, MTD Opp. 19–20—and its tacit concession that this entire case falls within those vacatur provisions, *id.* at 9–10—puts it beyond doubt that the judicial-review bar facially applies to what Anthem seeks to achieve with its non-vacatur claims. *Tex. Brine Co. v. Am. Arb. Ass'n*, 955 F.3d 482, 489 (5th Cir. 2020) ("Alleging wrongdoing that would justify vacatur is a sign of a collateral attack."). Anthem's "attempt to end-around the NSA and FAA strictures is preempted." *Radiology Partners*, 2026 WL 1556164, at *4.

The Ninth Circuit has rejected the exact gambit that Anthem tries here, deeming repackaged challenges to arbitration proceedings barred by similar judicial-review limits. MTD 10–11; *see Sander v. Weyerhaeuser Co.*, 966 F.2d 501, 503 (9th Cir. 1992); *United Ass'n of Journeymen v. Valley Eng'rs*, 975 F.2d 611, 615 (9th Cir. 1992). This Court has too. *HaloMD CA*, 2026 WL 982629, at *10 ("Plaintiffs' federal claims [other than vacatur] cannot be adjudicated without reviewing the correctness of past IDR awards or inserting the district court in overseeing future IDR awards.").

Anthem offers three responses. First, Anthem contends its claims do not involve "binding" determinations because Anthem has alleged fraud. MTD Opp. 12. Anthem ignores that the judicial-review bar presents a separate and independent basis to preclude this Court's review. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II); *see* 9 U.S.C. § 10(a). Regardless of whether awards are "binding," Anthem cannot circumvent subparagraph (c)(5)(E)(i)(II).

Second, Anthem argues its demand for prospective relief somehow negates the

collateral nature of its challenges. MTD Opp. 12. But that changes nothing. Prospective relief can still constitute an impermissible collateral attack, particularly where the plaintiff seeks "a follow-the-law injunction" whose enforcement "would require litigating whether [a future] challenged attestation was false." *HaloMD CA*, 2026 WL 982629, at *10. Regardless of the relief Anthem seeks, the insurer's theories and claims would require this Court to second-guess IDRE determinations in a manner not contemplated by § 10. "[A]ltering the relief sought will 'not transform . . . an impermissible collateral attack into a proper independent direct action." *United Ass'n of Journeyman*, 975 F.2d at 615 (citation omitted, alterations in original). Doing so "artificially narrows the term 'judicial review' that Congress used in the NSA." *Guardian Flight*, 140 F.4th at 275 n.3.

Third, Anthem suggests that the caselaw has confined the prohibition on collateral challenges solely to litigation that circumvents the procedural, rather than substantive, requirements of the FAA. *See* MTD Opp. 11–12. Anthem's caselaw draws no such distinction. On the contrary, courts have described impermissible collateral challenges in substantive terms. *See Ctr. for Excellence in Higher Educ., Inc. v. Accreditation All. of Career Schs. & Colls.*, 166 F.4th 452, 461 (4th Cir. 2026) ("[W]here a claim . . . in substance simply asks that the arbitration award be vacated, [courts] will dismiss the claim as an impermissible collateral attack.").

B. The Noerr-Pennington Doctrine Bars Anthem's Claims.

Noerr-Pennington independently precludes Prime Hospitals' liability. Although Anthem attempts to escape the doctrine altogether by characterizing its application as a fact question inappropriate at this stage, MTD Opp. 13, Anthem bears a heightened burden of pleading with particularity that Noerr-Pennington's protections do not apply, *Meridian Project Sys. v. Hardin Constr. Co.*, 404 F. Supp. 2d 1214, 1221 (E.D. Cal. 2005); *see also Or. Nat. Res. Council v. Mohla*, 944 F.2d 531, 533 (9th Cir. 1991) ("[T]he heightened pleading standard . . . would have no force if in order to satisfy it, a party could simply recast disputed issues from the

underlying litigation as 'misrepresentations' by the other party."). The Ninth Circuit affirms dismissals on the pleadings where plaintiffs fail to adequately plead a Noerr-Pennington exception. *See, e.g.*, *B&G Foods N. Am., Inc. v. Embry*, 29 F.4th 527, 542 (9th Cir. 2022). Indeed, the doctrine's purpose is to protect petitioners in government proceedings from intrusive discovery and liability. Anthem's claims fall squarely within its ambit. MTD 13. Anthem's efforts to plead around Noerr-Pennington—by claiming that either the doctrine does not apply to IDR or a fraud exception applies—lack merit. MTD Opp. 13–16.

IDR Proceedings Are First-Amendment Protected. Anthem argues that Noerr-Pennington does not apply to a "private payment dispute before private companies (IDREs)." MTD Opp. 14. Anthem's argument runs contrary to others in its own brief. As already noted, Anthem leans heavily on the presumption of reviewability applicable to the actions of government agents. *Id.* at 5. And Anthem concedes that the federal government has "delegate[d]" authority to IDREs to review dispute eligibility. *Id.* at 3; *see* Compl. ¶ 53 (alleging CMS and HHS are "charged with implementing the IDR process"). Anthem cannot adopt one position to escape the judicial-review bar, and then switch to the exact opposite to avoid a plainly applicable defense.

In any event, the IDR process is a congressionally-mandated, quasi-public arbitration administered by a federal agency. *See Allied Tube & Conduit Corp. v. Indian Head, Inc.*, 486 U.S. 492, 506–07 (1988) (doctrine applies to "efforts to persuade an independent decisionmaker"); *Viriyapanthu v. California*, 2018 WL 6136150, at *7 (C.D. Cal. Sept. 24, 2018) (similar). IDREs are certified jointly by CMS, DOL, and Treasury, subject to ongoing agency oversight, and required to provide regular reporting to the government. IDREs thus qualify as "persons []accountable to the public" endowed "with[] official authority," *Allied Tube*, 486 U.S. at 502, which means Noerr-Pennington applies to proceedings before them. IDREs are not "purely private" entities, as Anthem would have this Court believe.

MTD Opp. 16. In fact, the term "IDR entity" originates in the NSA. 42 U.S.C. § 300gg-111(c)(4). The role of IDRE does not exist but-for the NSA.

The "Fraud" Exception Does Not Apply. Anthem next invokes an "intentional misrepresentations" exception to Noerr-Pennington. MTD Opp. 13–14. But Anthem has not satisfied the heightened pleading standard that this exception requires. In *Kottle v. Northwest Kidney Centers.*, the Ninth Circuit affirmed dismissal under Noerr-Pennington because the plaintiff failed to meet the "heightened pleading standard" with allegations demonstrating that the defendant "so misrepresented the truth to the Department that the entire [administrative] proceeding was deprived of its legitimacy." 146 F.3d 1056, 1063 (9th Cir. 1998). Anthem's generalized allegations of eligibility misrepresentations likewise fall "far short of adequately alleging this variant of the sham exception," *id.*, particularly where Anthem must acknowledge that it prevails in many of the IDR disputes at issue, including based on eligibility challenges. It cannot be the case, as Anthem would have it, that the proceedings are legitimate, and thus Noerr-Pennington applies, only when Anthem wins; Prime Hospitals' petitioning activities are protected regardless of the outcome.

This "extraordinarily narrow" exception only applies to material misrepresentations, not the alleged positions Prime Hospitals took in the arbitrations here. *U.S. Futures Exch., L.L.C. v. Bd. of Trade of the City of Chi.*, 953 F.3d 955, 963 (7th Cir. 2020) (citation omitted). The exception cannot apply if the alleged frauds "do not infect the core of a case" such that "the outcome would have been the same." *Balt. Scrap Corp. v. David J. Joseph Co.*, 237 F.3d 394, 402 (4th Cir. 2001) (quotation marks omitted). Courts thus require, for example, particularized allegations showing that the adjudicator could not "detect the alleged false representation itself." *Aventis Pharma S.A. v. Amphastar Pharms., Inc.*, 2009 WL 8727693, at *13 (C.D. Cal. Feb. 17, 2009). That standard is not met. Anthem was required to and concededly submitted eligibility objections. Even if IDREs

repeatedly ruled against Anthem—or even under Anthem's implausible theory that IDREs ignored this allegedly pertinent information—that does not mean IDREs lacked the information to assess eligibility statements.

Anthem counters that asserting fraud alone should satisfy the exception. Yet as one court observed in rejecting a nearly identical argument,

> it is clear that simply alleging fraud will not do. Were this enough, the exception likely would swallow the rule: any losing party in an administrative proceeding could simply file a complaint, identify the statements with which they disagreed, claim that they were fraudulent, and then relitigate the matter in federal court. This would be inconsistent with "broad" petitioning immunities with only one "narrow" exception currently recognized by the Supreme Court[.]

CVB, Inc. v. Corsicana Mattress Co., 604 F. Supp. 3d 1264, 1281 (D. Utah 2022). Anthem's theory, if adopted, would effectively undo the Ninth Circuit's heightened pleading standard for the Noerr-Pennington exception. *See Kottle*, 146 F.3d at 1063.

C. Issue Preclusion Bars Anthem from Relitigating the IDREs' Determinations.

Issue preclusion also forecloses Anthem's improper attempt to relitigate IDRE determinations. MTD 15–16. Anthem does not dispute that Congress did nothing to disturb the presumption that preclusion applies; indeed, Anthem's many criticisms of IDR again reveal its frustration with Congress's choice to establish IDREs' binding authority. MTD Opp. 16–19. Nor does Anthem dispute that IDRE determinations yielded final judgments. *See id.* And none of Anthem's responses on the other elements support its effort to relitigate eligibility determinations here.

No Separate "Record" Is Required. Anthem first contends that collateral estoppel cannot apply because Prime Hospitals have not introduced the "record" from each of the thousands of unidentified IDR proceedings that Anthem challenges in this case. *Id.* at 16. If Anthem were correct, no defendant could successfully assert

collateral estoppel on a motion to dismiss, where defendants cannot present record evidence. Yet the opposite is true: "[a] motion to dismiss on the basis of res judicata or collateral estoppel may properly be brought under Rule 12(b)(6)." *Reese v. Verizon Ca., Inc.*, 2011 WL 13193421, at *2 (C.D. Cal. Aug. 11, 2011).

Defendants provide a "record" to ensure that the trial court has the information necessary to "pinpoint the exact issues previously litigated." *Clark v. Bear Stearns & Co.*, 966 F.2d 1318, 1321 (9th Cir. 1992). Where the pleadings and other judicially noticeable documents contain sufficient facts to demonstrate that the elements of collateral estoppel are satisfied, no additional record is required. *See Reese*, 2011 WL 13193421, at *2–4.

IDREs must assess eligibility for every dispute. Each payment determination Anthem challenges, therefore, rests on a positive eligibility determination, as Anthem's examples confirm. *See, e.g.*, Compl. ¶¶ 129–30 (describing positive eligibility determinations). In light of Anthem's allegations, this Court can easily "pinpoint" that IDREs determined that eligibility was satisfied for each IDR dispute at issue. *Clark*, 966 F.2d at 1321.

Eligibility Issue Raised. Anthem does not deny that it had the requisite information to contest eligibility, that it presented such information during the IDR process, or that IDREs necessarily ruled against Anthem on eligibility for all the contested awards. MTD 15–16.[3] And for every IDR example Anthem provides, the insurer affirmatively alleges it lost each dispute before an IDRE that it challenges here. *See, e.g.*, Compl. ¶¶ 129–30.

Anthem's sole response is that it did not argue to IDREs that Prime Hospitals were committing "fraud" related to eligibility. MTD Opp. 17. But Anthem cannot avoid issue preclusion by tacking the label "fraud" onto eligibility objections it

[3] If Anthem ever *did not* provide this information to the IDREs, then Anthem waived any dispute about eligibility. *See Marino v. Writers Guild of Am., E., Inc.*, 992 F.2d 1480, 1484 (9th Cir. 1993).

already made and lost. The process's legal requirements establish that IDREs necessarily **disagreed** with Anthem's position that these disputes were ineligible. Asking this Court to re-adjudicate these predicate determinations, as Anthem does here, is barred. *See Love v. Villacana*, 73 F.4th 751, 755 (9th Cir. 2023) (explaining that even "[e]rroneous" judgments receive preclusive effect).

Eligibility Litigated and Necessary to the Outcome. As explained above, the IDREs necessarily must determine that a dispute is eligible before awarding any amount to the Prime Hospitals. *See* 45 C.F.R. § 149.510(c)(1)(v). Nor does Anthem dispute that it had several opportunities (and obligations) throughout the process to submit information on—and objections to—a given claim's eligibility, MTD 15–16, as its complaint and response confirm, *see* Compl. ¶¶ 123–245; MTD Opp. 3. Anthem also does not deny that IDREs not-infrequently determined that submitted disputes were ineligible. Compl. ¶ 94.

Instead, Anthem complains that IDREs "have no obligation to consider Anthem's objections" before ruling on eligibility. MTD Opp. 17. But Anthem concedes (as it must) IDREs dismiss many disputes as ineligible. Compl. ¶ 94. Moreover, agency guidance confirms that the IDREs "must review the information submitted in . . . the notification from the non-initiating party claiming the Federal IDR Process is inapplicable, if one has been submitted, to determine whether the Federal IDR Process applies."[4] Anthem even alleges an example where an IDRE **affirmatively requested documentary evidence from Anthem** to support Anthem's eligibility objections—yet still found Anthem's evidence lacking. Compl. ¶¶ 128–30. This is hardly the "honor system" Anthem portrays. And particularly where the initiating party's attestation is merely "to the best of its knowledge," Anthem's allegations fall well short of its burden.

[4] Exhibit B, HHS et al., *Federal Independent Dispute Resolution (IDR) Process Guidance for Disputing Parties*, at 17 (updated Dec. 2023), https://www.cms.gov/files/document/federal-idr-guidance-disputing-parties-march-2023.pdf.

Regardless, the mere fact that a party's objections were unsuccessful does nothing to show that eligibility is not actually litigated. And it does not matter that IDREs might not provide an explanation on eligibility in every case, as "[a]rbitrators are not required to set forth their reasoning" at all. *Bosack v. Soward*, 586 F.3d 1096, 1104 (9th Cir. 2009).

Opportunity to Be Heard. Anthem also protests that it did not have a full and fair opportunity to be heard. MTD Opp. 17–19. But the fact that Anthem often lost does not mean that it lacked for opportunity. Tellingly, Anthem does not allege that the IDREs always decide eligibility incorrectly. Compl. ¶ 94. And Anthem again does not dispute that it had opportunities in each IDR proceeding to contest eligibility. Nor does Anthem dispute that it—as the insurer with plan information—has an informational advantage over Prime Hospitals to dispute eligibility and provide relevant information during the IDR process. MTD 4. So it is unclear what additional "tools" Anthem believes would have won the IDREs over to Anthem's side. MTD Opp. 18.

Anthem instead recycles the same tired criticisms about IDREs' financial interests and the thoroughness of the proceedings. *Id.* at 17–19. But those do not negate the many opportunities Anthem had to contest eligibility or the IDREs' obligation to determine the issue in every case. And regardless, the process does have meaningful checks on impartiality: IDREs are certified; non-initiating parties can object to the IDRE selected for any reason; and CMS will select a randomized IDRE if the parties cannot agree. *See* 45 C.F.R. § 149.510(c)(1)(i), (iv); *see also Avraham Plastic Surgery LLC v. Aetna, Inc.*, 2025 WL 3779084, at *4 (E.D.N.Y. Dec. 30, 2025) (IDRE is "a neutral decisionmaker making a binding judgment to resolve a dispute between two parties," which "makes them virtually indistinguishable from arbitrators and functionally akin to judges").

Anthem cites no authority suggesting that issue preclusion is categorically inapplicable under these circumstances. Proceedings "need not have all the indicia

of a trial to have a preclusive effect." *Patricia H. v. Berkeley Unified Sch. Dist.*, 830 F. Supp. 1288, 1301 (N.D. Cal. 1993). The IDR process afforded Anthem notice and an opportunity to argue its position and submit evidence, which is sufficient to constitute the "full and fair opportunity to litigate" necessary for preclusion to apply. *Thomas v. Hedgpeth*, 2014 WL 458086, at *6 (N.D. Cal. Jan. 31, 2014) (holding a party received a full opportunity to litigate where parties could present their positions and supporting evidence).

III. Anthem Fails to Allege a Vacatur Claim.

As explained above, the lone avenue Congress provides for parties to seek relief after an IDR loss is through a vacatur claim.[5] *Aetna Life*, 2026 WL 1734646, at *4 (siding with the "weight of authority" holding that the NSA limits challenges to vacatur alone). This is a very high bar for relief. *See Reach Air*, 160 F.4th at 1119. Neither of Anthem's bases for vacatur can meet it.

For the § 10(a)(1) fraud theory, Anthem does not dispute that this claim fails if IDREs (or Anthem) could have uncovered the purported fraud. MTD 16–17; *see Pac. & Arctic Ry. & Nav. Co. v. United Transp. Union*, 952 F.2d 1144, 1148 (9th Cir. 1991). "[W]here the fraud or undue means is not only discoverable, but discovered and brought to the attention of the arbitrators, a disappointed party will not be given a second bite at the apple." *A.G. Edwards & Sons, Inc. v. McCollough*, 967 F.2d 1401, 1404 (9th Cir. 1992).

Anthem concedes not only that it could have discovered the supposedly fraudulent facts "during" the IDR proceedings but that it did often discover and object to them. Compl. ¶¶ 123–245, 250. Anthem's response boils down to claiming that Prime Hospitals' fraud prevented Anthem from discovering the disputes' ineligibility in a timely manner. MTD Opp. 11. Anthem's pleadings tell a different story though, conceding the insurer identified the claims it now deems ineligible before or during

[5] Despite this, Anthem conceded in the *HaloMD CA* matter that it did not "actually believe this case implicated" vacatur. *See* Transcript, *HaloMD CA*, No. 8:25-cv-01467, Dkt. 132, at 46:12–13 (C.D. Cal. Mar. 10, 2026).

the IDR proceedings. *See* Compl. ¶ 97. Anthem also admits that it repeatedly raised eligibility objections with Prime Hospitals and IDREs throughout the process—furthering proving Anthem's knowledge. *Id.* ¶¶ 123–245. In light of these admissions, Anthem's novel and unsupported argument offers no basis to upend these awards en masse—especially given Congress's restriction on challenges to IDR awards and Rule 9(b).

For the § 10(a)(4) exceeding-authority theory raised by Anthem, the only question is whether arbitrators had authority to decide the threshold issue (here, eligibility)—not whether they ruled correctly. *See U.S. Life Ins. v. Superior Nat. Ins.*, 591 F.3d 1167, 1177 (9th Cir. 2010); *see also Reach Air*, 160 F.4th at 1119 (Section 10(a)(4) applies "only when an arbitrator strays from interpretation and application of the agreement and effectively dispenses his own brand of industrial justice." (quotation modified)). "[A]n arbitral decision 'even arguably construing or applying the contract' must stand, regardless of a court's view of its (de)merits." *Oxford Health Plans LLC v. Sutter*, 569 U.S. 564, 569 (2013) (citation omitted). Vacatur thus requires showing that the arbitrator clearly had no authority to decide eligibility, not that they wrongly decided eligibility. IDREs plainly **do** have such authority. *See* 45 C.F.R. § 149.510(c)(1)(v).

IV. Anthem Fails to Allege an ERISA Claim.

Anthem likewise failed to plead an ERISA claim predicated on the perceived errors in the IDRE proceedings. As discussed in Prime Hospitals' opening brief, Congress added the ERISA provisions at issue as part of the NSA, meaning these provisions are subject to the NSA's limits on judicial review. MTD 18–20. Anthem replies that it would be "absurd" to read the NSA to limit ERISA's catch-all cause of action under § 1132. MTD Opp. 20. Far from absurd, this approach harmonizes the two. Congress decides when and how courts can review actions taken under the NSA and ERISA. Under Anthem's interpretation, § 1132 would enable an ERISA fiduciary to litigate even an IDRE's payment determination—which Anthem

concedes Congress intended to prohibit, MTD Opp. 5—because ERISA's catch-all cause of action does not expressly say otherwise. That would completely nullify the NSA's review limitations, and cannot be correct.

Anthem also contends that it has fiduciary standing because it has discretion to recover plan funds. *Id.* at 22. Anthem has not plausibly alleged that it has discretionary control over plan assets. MTD 19. And even assuming Anthem is a fiduciary with respect to "recover[ing] overpayments" for the plans it administers, MTD Opp. 22, this narrow fiduciary duty does not give Anthem carte blanche to bring suit on behalf of the plans. *See Depot, Inc. v. Caring for Montanans, Inc.*, 915 F.3d 643, 653 (9th Cir. 2019). To that point, Anthem disclaims that its ERISA claim seeks to "recover" anything; its ERISA claim instead demands an injunction to prevent future IDR proceedings. MTD Opp. 21; Compl. ¶¶ 262, 267. However, Anthem has alleged no fiduciary duty, and so has no fiduciary standing, to prevent future alleged overpayments.

V. Anthem Has Failed to Plead a UCL Claim or a Claim for Declaratory Relief.

Anthem has not pleaded a UCL claim for the reasons discussed in Prime Hospitals' briefing supporting their Special Motion to Strike. And because Anthem has failed to plead its substantive claims, the Court should dismiss Anthem's claim for declaratory relief as well.

CONCLUSION

The Court should dismiss Anthem's Complaint with prejudice.

Dated: June 30, 2026

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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for the Defendants, certifies that this brief contains 6,971 words, which complies with the word limit of L.R. 11-6.1.

Dated: June 30, 2026

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