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12 UNITED STATES DISTRICT COURT
13 CENTRAL DISTRICT OF CALIFORNIA
SOUTHERN DIVISION

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

16 Plaintiffs,

17 v.

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

19 Defendants.
20
21

Case No. 8:26-cv-00023

**REPLY IN SUPPORT OF
DEFENDANTS’ SPECIAL
MOTION TO STRIKE**

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

1
2 Anthem filed this and other similar lawsuits to punish and deter medical
3 providers from accessing the congressionally-established IDR procedure. Unable to
4 persuade Congress to rewrite the process in its favor, Anthem now turns to this Court
5 seeking relief that would accomplish through litigation what it could not achieve
6 through the political process. Anthem wants to chill Prime Hospitals from seeking
7 reasonable compensation in future IDR proceedings. This weaponized litigation runs
8 afoul of California’s anti-SLAPP statute.

9 Anthem’s Opposition does not alter this conclusion—indeed, it confirms it, as
10 Anthem’s own arguments and authorities repeatedly undercut its positions. First,
11 California’s anti-SLAPP provision applies in federal court under binding Ninth
12 Circuit authority, which the Supreme Court’s recent *Berk v. Choy* decision does
13 nothing to undermine. IDR proceedings, which are intentionally designed to replace
14 litigation, receive protection under the anti-SLAPP statute.

15 Second, Anthem lacks standing to pursue its fraud theory under any UCL
16 prong because Anthem cannot show actual reliance. Rather than attempt to satisfy
17 the actual-reliance requirement, Anthem seeks to evade it altogether. Anthem argues
18 that courts have confined the requirement to consumer suits where the public has
19 been deceived—a premise that Anthem’s own preferred authority does not support.
20 The actual-reliance requirement applies to all UCL claims predicated on
21 misrepresentations or omissions, with only a narrow exception for UCL claims
22 between business competitors. Anthem, of course, does not compete with Prime
23 Hospitals.

24 Third, California’s litigation privilege forecloses Anthem’s UCL claim.
25 Anthem argues the doctrine does not apply because IDREs, according to Anthem, do
26 not review the evidence submitted to them. But the NSA and Anthem’s own
27 allegations contradict this premise. And Anthem cannot narrow the litigation
28 privilege to only those proceedings that permit lengthy trials and every conceivable

1 discovery and evidentiary device.

2 Finally, Anthem’s allegations fail to plausibly state its UCL claim under any
3 theory. Prime Hospitals’ submissions to the IDR process do not qualify as “claims”
4 for purposes of California Penal Code § 550. Nor has Anthem alleged that Prime
5 Hospitals violated 18 U.S.C. § 1347 in any manner that can give rise to a UCL claim.
6 For all its conjecture, Anthem still fails to plausibly allege that Prime Hospitals
7 violated the NSA through its open-negotiations notices or its submissions to the IDR
8 portal.

9 In sum, Anthem has failed to plausibly allege its state-law UCL claim, so under
10 the anti-SLAPP statute, Prime Hospitals “shall be entitled to recover” its reasonable
11 attorneys’ fees.¹ Cal. Civ. Proc. Code § 425.16(c)(1).

12 ANALYSIS

13 I. The Anti-SLAPP Statute Applies to Anthem’s UCL Claim.

14 There is no dispute that Anthem bases its UCL claim on Prime Hospitals’
15 alleged conduct in and leading up to the IDR proceedings. Rather than argue that
16 point, Anthem attempts to avoid California’s anti-SLAPP statute altogether. To do
17 so Anthem argues that, notwithstanding controlling Ninth Circuit authority
18 otherwise, the anti-SLAPP statute does not apply in federal court. Opp. to Special
19 Mot. to Strike, Dkt. 47, at 3–4 (hereafter “MTS Opp.”). Anthem also contends that
20 IDR proceedings before IDREs exercising delegated federal authority do not qualify
21 for anti-SLAPP protection. MTS Opp. 4–9. Both arguments lack merit.

22 A. Controlling Ninth Circuit Authority Requires Applying the Anti- 23 SLAPP Statute in Federal Court.

24 Anthem first contends that the Supreme Court in *Berk v. Choy* implicitly
25 overturned Ninth Circuit caselaw applying California’s anti-SLAPP statute in federal
26 court. MTS Opp. 3–5 (citing 607 U.S. 187 (2026)). Tellingly, the only post-*Berk*
27

28 ¹ Anthem has now clarified that its claim for declaratory and injunctive relief
proceeds under federal law rather than state law. MTS Opp. 21.

1 case Anthem cites says the opposite. MTS Opp. 4 n.2 (citing *Left v. Anson Funds*
2 *Mgmt LP*, 2026 WL 1365637 (C.D. Cal. Mar. 31, 2026)). In *Left v. Anson Funds*
3 *Management*, this Court analyzed *Berk*'s impact and concluded that the Supreme
4 Court did not disturb controlling Ninth Circuit law applying California's anti-SLAPP
5 provision in federal court. 2026 WL 1365637, at *8–9.

6 The *Anson Funds* court's reasoning is sound. In *Berk*, the Supreme Court
7 evaluated whether a Delaware law could apply to malpractice claims filed in federal
8 court, where the statute required plaintiffs to file an "affidavit of merit" alongside
9 their complaints. 607 U.S. at 190. The Court found that this alternative pleading
10 standard conflicted with Rule 8, which already "prescribes the information a plaintiff
11 must present about the merits of his claim at the outset of litigation." *Id.* at 193.
12 Given that direct conflict, the Court held that the Delaware statute did not apply in
13 federal court. *Id.* at 199.

14 *Berk* did not establish a new rule of law. The decision merely applied long-
15 standing *Erie* doctrine: where "a situation is covered by one of the Federal Rules[,]"
16 courts must "apply the Federal Rule." *Hanna v. Plumer*, 380 U.S. 460, 471 (1965).
17 In *Berk*, the Delaware statute and Federal Rule 8 both addressed precisely the same
18 question—the information a plaintiff must provide to initiate a medical malpractice
19 suit—and the Federal Rule necessarily prevailed. *Berk*, 607 U.S. at 199. California's
20 anti-SLAPP statute presents no such conflict.

21 The Ninth Circuit has "repeatedly found that portions of the anti-SLAPP
22 statute are not inconsistent with the Federal Rules." *Anson Funds*, 2026 WL
23 1365637, at *9; see *Planned Parenthood Fed'n of Am., Inc. v. Ctr. for Med. Progress*,
24 890 F.3d 828, 834–35 (9th Cir. 2018). While a minority of judges on the Ninth
25 Circuit have advocated a different position, see *Gopher Media LLC v. Melone*, 154
26 F.4th 696, 709 (9th Cir. 2025) (Bress, J., concurring), the Ninth Circuit itself has not.
27 Anthem's attempt to conscript *Berk* into service against anti-SLAPP precedent thus
28 requires this Court to find "clearly irreconcilable" conflict where none exists.

1 Relying on *Gopher Media*'s four-judge concurrence, Anthem speculates that
2 the Ninth Circuit stands "poised" to overturn the anti-SLAPP provision's application
3 in federal court. MTS Opp. 3. But that argument necessarily concedes that the Ninth
4 Circuit **has not** overturned this controlling precedent. And Anthem ignores that a
5 majority of the Ninth Circuit's en banc panel was not "poised" to overturn its
6 precedent, or else the concurrence would have appeared in the majority.

7 Anthem responds that the *Berk* decision sufficiently undermined *Planned*
8 *Parenthood*'s reasoning such that this Court can ignore the Ninth Circuit's ruling.
9 MTS Opp. 4. Anthem contends that *Berk* prohibits "rewriting" state statutes and so
10 created an irreconcilable conflict with the reasoning underlying the Ninth Circuit's
11 precedent applying the anti-SLAPP provision in federal court. *Id.*

12 But "[a] district court should be extremely careful in concluding that circuit
13 precedent is no longer good law." *Rodriguez v. Bowen*, 678 F. Supp. 1456, 1462
14 (E.D. Cal. 1988). Ninth Circuit authority remains binding unless that precedent is
15 "effectively overruled," which occurs only when "the reasoning or theory of [the]
16 prior circuit authority is clearly irreconcilable with the reasoning or theory of
17 intervening higher authority." *Miller v. Gammie*, 335 F.3d 889, 893 (9th Cir. 2003)
18 (en banc). "The clearly irreconcilable requirement is a high standard." *Close v.*
19 *Sotheby's, Inc.*, 894 F.3d 1061, 1073 (9th Cir. 2018) (quotation marks omitted). "[I]t
20 is not enough for there to be some tension between the intervening higher authority
21 and prior circuit precedent, or for the intervening higher authority to cast doubt on
22 the prior circuit precedent." *Id.* (quotation marks omitted).

23 Anthem has not met the "clearly irreconcilable" standard. In *Berk*, the Court
24 rejected the defendants' inartful "workaround" to replace the affidavit requirement's
25 timing so as to harmonize state and federal requirements. 607 U.S. at 196 ("While
26 § 6853 provides that an affidavit must 'accompan[y]' the complaint, defendants
27 suggest that the district court can simply require it 'early in [a] case.'" (alterations in
28 original)). That is, the *Berk* defendants sought to cross out disfavored text from the

1 state statute, an invitation the high court declined. In *Planned Parenthood*, by
2 contrast, the Ninth Circuit did not change the anti-SLAPP provision’s requirements
3 but instead interpreted them consistent with the Federal Rules and the *Erie* doctrine.
4 890 F.3d at 834. *Berk* said nothing to “effectively overrule[]” the Ninth Circuit,
5 *Miller*, 335 F.3d at 893, meaning this Court remains bound to follow *Planned*
6 *Parenthood*.

7 **B. IDR Proceedings Are Official Proceedings Protected by the Anti-**
8 **SLAPP Statute.**

9 Anthem devotes five pages of its Opposition to arguing that IDR proceedings
10 are not “official” proceedings, emphasizing HHS’s supposedly ministerial role and
11 IDREs’ status as “nongovernmental entities.” MTS Opp. 4–9 (citation omitted). But
12 Anthem’s position cannot be reconciled with its contention that this Court, in
13 construing the NSA’s judicial-review bar, should treat IDR proceedings as an
14 “**administrative action.**” *Salinas v. United States R.R. Ret. Bd.*, 592 U.S. 188, 197
15 (2021) (emphasis added); see Opp. to Mot. to Dismiss, Dkt. 46, at 5–6 (hereafter
16 “MTD Opp.”) (citing *Salinas* to demand that the Court apply this presumption to
17 enable the review of IDRE eligibility determinations). Anthem’s position also cannot
18 be reconciled with its claim that HHS has “delegate[d]” federal authority to IDREs
19 to review disputes for eligibility. MTD Opp. 3. Anthem is correct that IDREs are
20 government actors exercising delegated federal authority when they resolve
21 eligibility disputes and issue payment determinations. Those concessions fatally
22 undermine Anthem’s attempt to strip IDR proceedings of anti-SLAPP protection.

23 In any event, Anthem’s specific arguments fall short. First, HHS’s indirect
24 role in resolving IDR disputes is irrelevant when determining whether the IDR
25 process is an official proceeding. The IDR process is codified in statute and
26 “establish[ed] by regulation.” 42 U.S.C. § 300gg-111(c)(2)(A). IDREs are certified
27 jointly by HHS, the Department of Labor, and the Department of the Treasury,
28 subject to ongoing agency oversight, and required to provide regular reporting to the

1 government. See 42 U.S.C. § 300gg-111(c)(4); 45 C.F.R. § 149.510(f). Even
2 Anthem admits that IDREs exercise “delegate[d]” authority when adjudicating
3 dispute eligibility. MTD Opp. 3. Whether or not HHS itself makes eligibility
4 determinations, the IDR process still receives anti-SLAPP protection as an official
5 proceeding.

6 Second, Anthem repeats the same old litany of supposed deficiencies in the
7 IDR process. MTS Opp. 5–9. But beyond pointing to procedural differences
8 between the IDR process and the procedures available in other cases, Anthem does
9 not dispute that Congress established the “statutorily required” IDR procedure as an
10 alternative to litigation. *Mallard v. Progressive Choice Ins. Co.*, 188 Cal. App. 4th
11 531, 541–42 (2010); see *Guardian Flight, L.L.C. v. Health Care Serv. Corp.*, 140
12 F.4th 271, 277 (5th Cir. 2025) (recognizing that IDR proceedings are a
13 congressionally-established “administrative enforcement mechanism”). And
14 Anthem does not deny that, by congressional design, both providers and insurers give
15 up any “right to resolve [their payment] dispute in a court of law[.]” *Mallard*, 188
16 Cal. App. 4th at 541–42. Thus, anti-SLAPP protections that apply to litigation also
17 apply to IDR proceedings that replace litigation.

18 Anthem objects that IDR proceedings lack formal in-person hearings and
19 traditional discovery, but Anthem identifies no authority holding that the absence of
20 these procedural features renders the anti-SLAPP provision inapplicable. MTS Opp.
21 5–9. *Zaslavsky* certainly does not say as much. See *id.* at 6. Unlike IDREs, the
22 nonprofit in *Zaslavsky* did not perform a federally-mandated procedure pursuant to
23 delegated federal authority. See *Zaslavsky v. Consumer Att’ys Ass’n of Los Angeles*,
24 2024 WL 1706627, at *1–6 (C.D. Cal. Mar. 14, 2024) (discussing nonprofit’s internal
25 proceedings to eject a member for political speech on an email listserv). *Zaslavsky*’s
26 discussion about the process required for “a private organization’s” procedures to
27 receive anti-SLAPP protection is inapposite. *Id.*

28 Other caselaw relied on by Anthem is equally distinguishable. In *Electronic*

1 *Waveform*, the court declined to apply anti-SLAPP protections to an informal
2 “utilization review[,]” which is “a remote precursor to any form of litigation[.]” *Elec.*
3 *Waveform Lab, Inc. v. EK Health Servs., Inc.*, 2015 WL 576595, at *2, 7–8 (Cal. Ct.
4 App. Feb. 11, 2015). Utilization review takes place before “independent medical
5 professionals” who “review and approve, modify, delay or deny treatment
6 prescriptions for injured workers.” *Id.* at *1. The *Electronic Waveform* court found
7 the anti-SLAPP provisions inapplicable because of, among other things, “the nature
8 of the UR inquiry which focuses on whether prescribed treatment is appropriate
9 medically.” *Id.* at *7–8. In other words, utilization review does not serve as a
10 “litigation substitute[.]” *Id.* at *8. IDR proceedings, in contrast, are a mandatory
11 substitute for litigation.

12 Contrary to Anthem’s suggestion, the *Dean* decision is beneficial to this
13 Court’s inquiry. MTS Opp. 6 n.3. In *Dean*, the court recognized that the defendants
14 had presented “significant, persuasive authority that the [anti-SLAPP] statute should
15 apply to the UDRP arbitration before . . . a quasi-public organization to which the
16 U.S. Department of Commerce has delegated authority to resolve disputes over
17 domain names.” *Dean v. Kaiser Found. Health Plan, Inc.*, 562 F. Supp. 3d 928, 934
18 (C.D. Cal. 2022). Faced with clear evidence that UDRP was an official proceeding
19 under the statute, the plaintiff rightly conceded the point. Here as well, IDREs act as
20 quasi-public entities exercising “delegate[d]” federal authority when resolving IDR
21 disputes, as even Anthem admits. MTD Opp. 3. That Anthem now contests a
22 premise that it has elsewhere conceded does not render *Dean* irrelevant.

23 **II. Anthem Has Failed to Plausibly Allege a UCL Claim.**

24 Forced to confront Prime Hospitals’ prima facie showing that the anti-SLAPP
25 statute applies, Anthem attempts to carry its burden of defending its pleading of the
26 alleged UCL violation. But Anthem’s UCL claim fails at every level. First, it fails
27 at the threshold because Anthem lacks statutory standing to sue Prime Hospitals
28 where Anthem has not pleaded the actual reliance that California law demands.

1 Second, it fails on immunity grounds because California’s litigation privilege applies
2 to Prime Hospitals’ conduct in the IDR proceedings. Third, it fails on the merits
3 because Anthem has failed to plausibly allege a violation of any statute that could
4 anchor a UCL claim.

5 **A. Anthem Lacks Standing to Sue Under the UCL.**

6 As a threshold matter, Anthem does not have standing to sue Prime Hospitals
7 under the UCL. For any UCL claim based on alleged misrepresentations or
8 omissions, standing demands “actual reliance on the allegedly deceptive or
9 misleading statements, in accordance with well-settled principles regarding the
10 element of reliance in ordinary fraud actions.” *Kwikset Corp. v. Superior Ct.*, 51 Cal.
11 4th 310, 326–27 (2011) (citation omitted). Anthem does not dispute that it has not
12 pleaded actual reliance under its “well-settled” and “ordinary” principles. *Id.* That
13 failure should end the issue.

14 Anthem counters that the requirement of actual reliance applies only to UCL
15 claims “based on false advertising or other public-facing consumer deception”
16 theories. MTS Opp. 18. In Anthem’s view, the actual-reliance requirement has no
17 application to unlawful and unfair UCL claims where a consumer has not been
18 deceived. *Id.* at 19. Anthem identifies no authority adopting that proposed rule.

19 Anthem gets it backwards. The actual reliance requirement applies to fraud-
20 based UCL claims **everywhere except** to competitor suits premised on consumer
21 deception (or at least some courts have so held²). In *Mosafer Inc. v. Broidy*—which
22 Anthem cites, MTS Opp. 21 n.10—UCL plaintiffs attempted to sidestep the actual-
23 reliance requirement under the exception for fraud deceiving members of the public.
24 2022 WL 793029, at *6 (C.D. Cal. Feb. 4, 2022). This Court rejected the plaintiffs’
25 argument out of hand, holding that the actual-reliance exception was “specific to
26

27 ² Courts are divided on whether a competitor plaintiff can base UCL standing
28 on customer reliance. See *Kachuck Enters. v. Mission Produce, Inc.*, 823 F. Supp.
3d 1054, 1063–64 (C.D. Cal. 2026). This divide has no bearing on this case because
Anthem is not a competitor of Prime Hospitals.

1 competitor suits.” *Id.* Because the plaintiffs “offer[ed] no allegations that they
2 compete with any of the defendants[,]” the plaintiff had to allege actual reliance. *Id.*
3 And because the plaintiffs had not, this Court struck the UCL claims “for lack of
4 statutory standing.” *Id.*

5 The other cases in Prime Hospitals’ Special Motion to Strike reinforce this
6 point. *See* Memo. ISO Mot. to Dismiss, Dkt. 41-1, at 12–13 (hereafter “MTD”). In
7 *Jent v. Northern Trust Corporation*, the court dismissed a UCL claim because the
8 plaintiffs only alleged third-party reliance by financial institutions from which
9 plaintiffs sought credit. 2013 WL 5806024, at *3–4 (E.D. Cal. Oct. 28, 2013). And
10 in *Ouiby Inc. v. Posey*, the court dismissed a UCL claim because the plaintiff only
11 alleged third-party reliance by investors. 2018 WL 732493, at *5 (N.D. Cal. Feb. 6,
12 2018). Neither case involved deception of consumers, yet in both the courts found
13 the plaintiffs lacked standing for failing to plead actual reliance.

14 Even Anthem’s preferred caselaw has only applied the exception to the actual-
15 reliance requirement to fraud-based competitor UCL claims. *See* MTS Opp. 20–21;
16 *Allergan USA Inc. v. Imprimis Pharms., Inc.*, 2017 WL 10526121, at *13 (C.D. Cal.
17 Nov. 14, 2017) (weighing “whether competitors must demonstrate their own reliance
18 on a defendant’s allegedly misleading statement”); *Millennium Dental Techs. Inc. v.*
19 *Terry*, 2018 WL 5094965, at *15 (C.D. Cal. July 16, 2018) (same); *KT Enters. LLC*
20 *v. Comp360, LLC*, 751 F. Supp. 3d 999, 1003 (C.D. Cal. 2023) (“[A] growing number
21 of district courts hold[] that a competitor plaintiff can have standing under the UCL
22 and FAL ‘without alleging its own reliance, as long as the plaintiff has alleged a
23 sufficient causal connection.’” (citation omitted)). There is no support for Anthem’s
24 assertion that these cases hold the actual-reliance requirement “only” applies “where
25 the claim is premised on false advertising or public deception of consumers.” MTS
26 Opp. 19.

27 Anthem is also wrong to suggest that the actual-reliance requirement does not
28 apply to the “unlawful” and “unfair” prongs of the UCL. *See id.* “California courts

1 and federal district courts have extended the actual reliance requirement of ‘fraud’
2 prong claims to ‘unlawful’ and ‘unfair’ prong claims ‘to the extent such claims are
3 based on a defendant’s misrepresentations.’” *Kachuck Enters.*, 823 F. Supp. 3d 1054,
4 1061 (citation omitted). “[T]he labeling of the cause of action as an ‘unfair’ or
5 ‘unlawful’ business practice” does not change the analysis. *Id.*; see *Durell v. Sharp*
6 *Healthcare*, 183 Cal. App. 4th 1350, 1363 (2010) (“[The] burden of pleading
7 causation in a UCL action should hinge on the nature of the alleged wrongdoing
8 rather than the specific prong of the UCL the consumer invokes.”).

9 The actual reliance requirement is fatal to Anthem’s entire UCL claim.
10 Anthem bases its claim on Prime Hospitals’ supposed misrepresentations and
11 omissions in pursuing the IDR proceedings. Memo. ISO Special Mot. to Strike, Dkt.
12 42-1, at 10–11 (hereafter “MTS”). And Anthem nowhere alleges that it competes
13 with Prime Hospitals. Thus, Anthem must plead actual reliance, but cannot. This
14 Court must dismiss Anthem’s UCL claim for lack of standing.

15 **B. The Litigation Privilege Protects Prime Hospitals’ First**
16 **Amendment Protected Activities in the IDR Proceedings.**

17 Anthem treats the litigation privilege as another vehicle for its policy critiques
18 of the IDR process and Congress’s chosen structure. Anthem may believe “the IDR
19 process is deeply flawed[,]” but its “policy-based arguments would be better directed
20 at Congress which alone has the power to rewrite the NSA.” *Anthem Blue Cross Life*
21 *& Health Ins. Co. v. HaloMD LLC*, 2026 WL 982629, at *9 (C.D. Cal. Apr. 9, 2026).

22 Beyond lamenting how Congress structured the IDR process, Anthem makes
23 three principal arguments in attempting to avoid the litigation privilege’s application.
24 First, Anthem contends the privilege does not apply to quasi-judicial proceedings
25 where the adjudicator is not “required to investigate and address all material
26 allegations of the parties.” MTS Opp. 11. Similarly, Anthem contends that IDREs
27 are “limited to reviewing submissions” to determine eligibility and payment
28 determinations. *See id.*

1 Anthem gets wrong both the law and its own allegations. No matter how many
2 times Anthem says otherwise, IDREs must assess whether each dispute is eligible.³
3 45 C.F.R. § 149.510(c)(1)(v). And IDREs must base their determinations on the
4 parties' submissions. 42 U.S.C. § 300gg-111(c)(5)(A)(i), (B)(ii), (C)(ii); 45 C.F.R.
5 § 149.510(c)(1)(v), (4)(iii). So Anthem is mistaken that IDREs are not "required" to
6 address the parties' arguments. And Anthem's own allegations demonstrate that
7 IDREs have discretion to seek and obtain additional information, as when an IDRE
8 requested documentation from Anthem supporting its eligibility objections. *See*
9 *Compl.* ¶¶ 128–30.

10 *Butler v. McCain & Associates* is easily distinguished. 2016 WL 1726018
11 (Cal. Ct. App. Apr. 27, 2016). There, state law directed the county surveyor to
12 "examine the record of survey for mathematical accuracy and compliance with
13 certain statutory requirements as to presentation and form." *Id.* at *6. This
14 "nondiscretionary" duty did not involve the "application of law to ascertained facts"
15 or impact "the personal or property rights of private persons." *Id.* In other words,
16 the county surveyor performed an executive function. On the other hand, IDREs
17 unquestionably perform a discretionary, adjudicatory function that applies law to
18 facts.

19 Second, Anthem contends that a formal hearing is required for IDR to qualify
20 as an official proceeding. However, a protected "arbitration can take many
21 procedural forms[.]" *Lambert v. Carneghi (Lambert II)*, 158 Cal. App. 4th 1120,
22 1130 (2008). And the California Supreme Court has extended the privilege to cover
23 alternative dispute resolution procedures "designed to serve a function analogous
24 to—and [] to eliminate the need to resort to—the court system." *Moore v. Conliffe*,
25 7 Cal. 4th 634, 640–44 (1994). IDR proceedings squarely fit this archetype.

26 ³ "[T]he certified IDR entities are responsible for ensuring that eligibility and
27 payment determinations are accurate." Exhibit C, CMS, *Federal Independent*
28 *Dispute Resolution (IDR) Technical Assistance for Certified IDR Entities and*
Disputing Parties 2 (June 2025), <https://www.cms.gov/files/document/idr-ta-errors-after-dispute-closure.pdf>.

1 *Guardian Flight*, 140 F.4th at 277 (recognizing that IDR proceedings are a
2 congressionally-established “administrative enforcement mechanism”).

3 Anthem accuses Prime Hospitals of “neglect[ing] to mention” the full context
4 surrounding the underlying proceedings in *Lambert II*. MTS Opp. 12 n.7. Anthem
5 supports its accusation not with findings from a judicial opinion, but with bare
6 allegations in a complaint. *Id.* (citing *Lambert v. Pahl (Lambert I)*, 2005 WL
7 6124738, at ¶¶ 15, 16, 24 , 31 (Cal. Sup. Ct. San Francisco Cnty. June 13, 2005)).
8 In any event, the *Lambert* court did not base its decision to extend the litigation
9 privilege on the actual substance of the underlying proceedings. Indeed, the *Lambert*
10 plaintiffs did not want or anticipate the informal arbitration to devolve into a “quasi-
11 trial” in the first instance. *Lambert I*, 2005 WL 6124738, at ¶ 31 (Cal. Sup. Ct. San
12 Francisco Cnty. June 13, 2005). Rather, the court found that an informal appraisal
13 procedure **as a general matter** can still qualify for litigation privilege protection,
14 even when the procedure “does not have the ‘accouterments’ that [plaintiffs] claim
15 are required in order for a procedure to be considered an arbitration.” *Lambert II*,
16 158 Cal. App. 4th at 1130–31; *see id.* at 1137 (using this reasoning to apply the
17 litigation privilege). So although IDR proceedings may not have every
18 “accouterment[.]” native to litigation or traditional arbitration, “it does not follow that
19 [IDR] is not an arbitration” covered by the litigation privilege. *Id.* at 1130 (emphasis
20 omitted).

21 Third, Anthem argues that its reliance on supposed federal law violations
22 prevents Prime Hospitals from invoking the litigation privilege against Anthem’s
23 UCL claim. MTS Opp. 13. Not so. California’s litigation privilege bars Anthem’s
24 UCL claim, which attempts to assert state law violations. *See Kane v. DeLong*, 2013
25 WL 1149801, at *11 (N.D. Cal. Mar. 19, 2013). And Anthem’s UCL theories
26 asserting underlying federal law are barred by Noerr-Pennington for “largely the
27 same reasons[.]” *Realtek Semiconductor Corp. v. MediaTek, Inc.*, 732 F. Supp. 3d
28 1101, 1113 & n.5 (N.D. Cal. 2024).

1 **C. Anthem’s UCL Claim Is Inadequately Pleaded on the Merits.**

2 Anthem appropriately declines to defend its UCL claim under the fraudulent
3 prong. *See* MTS Opp. 13. There is no basis to contend that “‘members of the public
4 are likely to be deceived’ by the challenged conduct[.]” *Bardin v. DaimlerChrysler*
5 *Corp.*, 136 Cal. App. 4th 1255, 1261 (Cal. Ct. App. 2006). Instead, Anthem defends
6 its UCL claim as premised on allegedly unlawful and unfair conduct. But Anthem
7 cannot rehabilitate its deficient allegations.

8 ***Not unlawful.*** First, Prime Hospitals has not violated California Penal Code
9 § 550. Anthem’s § 550 explanation confirms that, under any subsection, the
10 presentation of a false or misleading “claim” is a required element. *See* MTS Opp.
11 14. Yet Anthem provides no analysis to explain how IDR proceedings qualify as
12 insurance claims, as contemplated in § 550. *People v. Perrell* has no bearing on this
13 question because the defendant there submitted a traditional “claim” to his insurer.
14 2003 WL 22847330, at *8 (Cal. Ct. App. Dec. 1, 2003).

15 Anthem retorts that Prime Hospitals violated § 550 when making false
16 statements in the IDR proceedings to obtain “payment or other benefit pursuant to an
17 insurance policy[.]” MTS Opp. 14 (citation omitted). But Anthem does not attack
18 any statement made by Prime Hospitals to Anthem, or any specific request for
19 payment from Prime Hospitals to Anthem. Instead, Anthem attacks Prime Hospitals’
20 statements used to initiate IDR proceedings, which do not constitute “claims” under
21 § 550.

22 Nor has Anthem shown that the alleged misrepresentations were made “as part
23 of, or in support of . . . a claim for payment” or “with knowledge that it is to be
24 presented to any insurer” in connection with a claim. MTS Opp. 14 (quoting Cal.
25 Penal Code § 550(b)(1)–(2)). The eligibility attestation is not made “as a part of, or
26 in support of” a claim because it is made long after a claim has been submitted and
27 underpaid and it does not “support” the merits of the underlying claim. And
28 eligibility representations are “presented” to HHS and IDREs, not insurers.

1 And Anthem does not even attempt to rebut Prime Hospitals’ contention that
2 the canon of constitutional avoidance counsels against interpreting the word “claims”
3 expansively in a way that would chill Prime Hospitals’ First Amendment right to
4 petition. MTS 13 n.5. For this reason as well, the Court should conclude that Anthem
5 has failed to plead a violation of California Penal Code § 550.

6 Second, Anthem cannot base a UCL claim on an alleged violation of 18 U.S.C.
7 § 1347. Anthem’s chief response is that actual reliance is not a standalone element
8 of the offense. MTS Opp. 15. That is irrelevant. Whether or not § 1347 itself has
9 an element of actual reliance, UCL claims predicated on § 1347 do. *Supra* Part II.A.
10 After all, § 1347 is a fraud statute. *United States v. Elfenbein*, 144 F.4th 551, 560
11 (4th Cir. 2025). Taken together then, Anthem must demonstrate both that Prime
12 Hospitals has “defraud[ed]” a “health care benefit program” (Anthem) **and** that
13 Anthem actually relied on those same fraudulent acts or omissions to its detriment.
14 18 U.S.C. § 1347; *see Kwikset*, 51 Cal. 4th at 326–27. As discussed, Anthem has not
15 made and cannot make this showing.

16 Anthem also insists that Prime Hospitals’ supposed eligibility
17 misrepresentations were material because IDREs made eligibility determinations in
18 Prime Hospitals’ favor. MTS Opp. 15–16. But IDREs not infrequently ruled in
19 Anthem’s favor. Indeed, Anthem alleges that “nearly half of all disputes initiated by
20 Defendants against Anthem were dismissed or deemed by the IDRE as ineligible.”
21 Compl. ¶ 94. Based on Anthem’s own pleadings, Prime Hospitals’ supposed
22 misrepresentations failed to influence IDREs’ “actual behavior.” *Universal Health*
23 *Servs., Inc. v. United States*, 579 U.S. 176, 193 (2016). And this is unsurprising,
24 given Anthem’s informational advantage, MTD 4, and that Prime Hospitals only ever
25 attest to eligibility “to the best of [their] knowledge[,]” MTS 15–16.

26 Third, Anthem has not shown that Prime Hospitals violated the NSA in any
27 manner. To start, Prime Hospitals did not cause Anthem cognizable harm through
28 their supposedly deficient open-negotiations notices. Under Anthem’s theory, had

1 Prime Hospitals provided adequate notices and then initiated IDR proceedings,
2 Anthem would suffer the same “harm.” *See* MTS 14. Anthem responds that Prime
3 Hospitals should not have initiated those IDR proceedings at all, MTS Opp. 16, but
4 this conflates the alleged violation of the open-negotiations requirement with the
5 alleged violation caused by misrepresenting eligibility.

6 Nor has Anthem shown that Prime Hospitals falsely attested to dispute
7 eligibility when attesting “to the best of [their] knowledge[.]” MTS 15–16.
8 According to Anthem’s allegations, Prime Hospitals routinely prevailed in an
9 adversarial procedure before a jointly-selected, neutral adjudicator where Anthem
10 had the opportunity to submit, and did submit, eligibility objections. That track
11 record is the antithesis of fraud.

12 Even if IDREs sometimes got eligibility rulings wrong, this does not raise an
13 inference of fraud. Recent agency commentary cited by Anthem explains why. *See*
14 MTD Opp. 3 n.2, 6, 10. “[E]ligibility determinations can be extremely complex,
15 particularly in States where certain items and services are covered by specified State
16 laws and others are ‘qualified IDR items and services’ eligible for the Federal IDR
17 process.” Federal Independent Dispute Resolution Operations, 91 Fed. Reg. 33900,
18 33942 (June 4, 2026). Given these challenges, “there are many reasons why an
19 ineligible dispute may be submitted to the Federal IDR process[.]” *Id.* at 33989. One
20 “cannot easily place the responsibility of a particular ineligible dispute submission
21 entirely on either party[.]” and the blame sometimes falls “on non-initiating
22 parties[.]” *Id.* Even then, IDREs’ eligibility assessments are “often” frustrated
23 “when a non-initiating party objects to [] eligibility, [but] it does not provide
24 sufficient information for the certified IDR entity or the other party to understand the
25 basis for its objection.” *Id.* at 33923.

26 In response, Anthem parrots the refrain of many disgruntled litigants: it insists
27 that Prime Hospitals **must** have committed fraud because Anthem had the better
28 arguments yet still lost. MTS Opp. 16. Indeed, Anthem apparently sees fraud behind

1 every failed IDR proceeding, as Anthem has (unsuccessfully) sued medical providers
2 across the country using substantially the same theory.⁴ But Anthem’s self-serving
3 allegations, incomplete description of the IDR process, and policy gripes do not and
4 cannot cobble together a viable claim that Prime Hospitals violated the NSA.

5 ***Not unfair.*** Anthem, not Prime Hospitals, has acted unfairly. Prime Hospitals
6 provided emergency medical services to Anthem’s insureds. Anthem then underpaid
7 Prime Hospitals for those services, forcing Prime Hospitals to appeal to the
8 congressional-created and -mandated IDR procedure. Prime Hospitals always
9 offered to compromise by taking at least a 20% discount on its original billed charge,
10 Compl. ¶ 5, offers which IDREs regularly found more reasonable than Anthem’s
11 competing proposals, *see, e.g., id.* ¶¶ 133, 137, 187. Now, Anthem has sued Prime
12 Hospitals to chill Prime Hospitals from initiating future IDR proceedings.

13 Anthem bases its unfairness claim on the “underlying policy of multiple
14 statutes prohibiting” Prime Hospitals’ supposed scheme. MTS Opp. 17. Yet Anthem
15 identifies neither the public policies on which it relies nor the conduct by which Prime
16 Hospitals supposedly violated them. Essentially, Anthem appears to argue that Prime
17 Hospitals has violated the policy of various statutes by violating those statutes. In
18 other words, Anthem’s unfair UCL claim “overlaps entirely” with its unlawful UCL
19 claim. *Sue Shin v. Campbell Soup Co.*, 2017 WL 3534991, at *8 (C.D. Cal. Aug. 9,
20 2017). Given Anthem’s failure to further develop this prong, the Court can reject
21 Anthem’s empty unfairness argument for the same reasons it should reject Anthem’s
22 unlawful argument. *See Romoff v. Gen. Motors LLC*, 574 F. Supp. 3d 782, 790 (S.D.
23 Cal. 2021) (“Because the Complaint fails to allege facts to support an inference that
24

25 ⁴ *See, e.g., Anthem Blue Cross Life & Health Ins. Co. v. HaloMD, LLC*, No.
26 8:25-cv-01467 (C.D. Cal.); *Anthem Health Plans of Va., Inc. v. AGS Health, Inc.*,
27 No. 7:25-cv-00804 (W.D. Va.); *Blue Cross Blue Shield Healthcare Plan of Ga., Inc.*
28 *v. HaloMD, Inc.*, No. 1:25-cv-02919 (N.D. Ga.); *Cnty. Ins. Co. v. HaloMD, LLC*,
No. 1:25-cv-00388-MWM (S.D. Ohio); *see also Blue Cross Blue Shield of Tex. v.*
Zotec Partners, LLC, No. 5:25-cv-00186 (E.D. Tex.) (brought by Anthem licensee);
Blue Cross Blue Shield of Tex. v. HaloMD, LLC, No. 5:25-cv-00132 (E.D. Tex.)
(same).

1 GM’s conduct is deceptive or violates any statutory provision, this Court joins
2 numerous other district courts in holding that the unfair-prong claim must also be
3 rejected.”).

4 Anthem next contends that Prime Hospitals’ use of the IDR procedure is
5 immoral because it has no legitimate business purposes and is “purely extractive.”
6 MTS Opp. 18. Anthem also contends that it can satisfy the balancing test. MTS
7 Opp. 18. But “[r]egardless of the test” Anthem invokes, “where the unfair business
8 practices alleged under the unfair prong of the UCL overlap entirely with the business
9 practices addressed in the fraudulent and unlawful prongs of the UCL, the unfair
10 prong of the UCL cannot survive if the claims under the other two prongs of the UCL
11 do not survive.” *Hadley v. Kellogg Sales Co.*, 243 F. Supp. 3d 1074, 1104–05 (N.D.
12 Cal. 2017). No matter the test, Anthem has failed to plead an unfairness claim
13 because Anthem has abandoned its fraudulent claim and has failed to plead an
14 unlawful claim.

15 **D. The Court Can Alternatively Dismiss Anthem’s UCL Claim for the**
16 **Reasons Outlined in the Motion to Dismiss.**

17 Prime Hospitals reiterates that, independent of the arguments raised herein,
18 Anthem has failed to plead its UCL claim for the reasons outlined in the Motion to
19 Dismiss.

20 **III. Prime Hospitals Are Entitled to Reasonable Attorneys’ Fees.**

21 California’s anti-SLAPP statute is not merely defensive—it requires awarding
22 defendants their reasonable attorneys’ fees and costs as a matter of right. Cal. Civ.
23 Proc. Code § 425.16(c)(1). That mandatory fee-shifting provision reflects a
24 legislative determination that “it is in the public interest to encourage continued
25 participation in matters of public significance, and that this participation should not
26 be chilled through abuse of the judicial process.” *Id.* § 425.16(a). Following this
27 statutory determination, federal courts award attorneys’ fees and costs for time spent
28 challenging state law claims in a special motion to strike. *Manufactured Home*

1 *Cmtys, Inc. v. County of San Diego*, 655 F.3d 1171, 1181 (9th Cir. 2011). And
2 “[w]ork that is inextricably intertwined with an anti-SLAPP motion” is also
3 compensable. *Fallay v. S.F. City & Cty.*, 2016 WL 879632, at *3 (N.D. Cal. Mar. 8,
4 2016).

5 When the defendant files a separate motion to dismiss that is “inextricably
6 intertwined” with the special motion to strike, the defendant may also seek fees and
7 costs for time spent on the motion to dismiss. *Johnson v. United Airlines, Inc.*, 2016
8 WL 3626707, at *5 (N.D. Cal. July 6, 2016) (citation omitted). Arguments are
9 inextricably intertwined when “all of plaintiff’s claims involve a common core of
10 facts and are based on related legal theories[.]” *Kearney v. Foley & Lardner*, 553 F.
11 Supp. 2d 1178, 1183 (S.D. Cal. 2008). So if a court dismisses all claims, federal and
12 state, based on “on some of the same or similar legal grounds[.]” “awarding
13 defendants all of their attorneys’ fees associated with the right to
14 petition . . . advance[s] the public policy underlying the anti-SLAPP statute.” *Id.* at
15 1184.

16 Anthem bases all claims on the same core factual allegations, and Prime
17 Hospitals seek dismissal based on common legal theories. Therefore, the Court
18 should award Prime Hospitals their reasonable attorneys’ fees and costs for the work
19 performed on the motion to dismiss in addition to reasonable attorneys’ fees and costs
20 for the work performed on this motion to strike.

21 *Moran v. Endres* is distinguishable. 135 Cal. App. 4th 952 (2006); see MTS
22 Opp. 22. In *Moran*, the court refused to award attorneys’ fees for a nominally
23 successful motion to strike that won an “illusory victory.” *Moran*, 135 Cal. App. 4th
24 at 954–55. The motion struck just one of many causes of action from the complaint,
25 a claim for “civil conspiracy” that added “little” to plaintiffs’ case. *Id.* Anthem’s
26 UCL claim, by contrast, adds materially to the relief Anthem pursues in its federal-
27 law claims. It is the first cause of action in Anthem’s Complaint. Anthem’s vacatur
28 claim only seeks to void past awards, and Anthem’s ERISA claim at most applies

1 only to a subset of the future IDR proceedings Anthem hopes to enjoin. So even
2 assuming Anthem’s federal-law claims remain, striking Anthem’s sprawling and
3 complex UCL claim is more than an “illusory victory” because “[t]he possible
4 recovery against” Prime Hospitals would “change.” *Id.*

5 **CONCLUSION**

6 This Court should grant Prime Hospitals’ Special Motion to Strike, strike
7 Anthem’s California state-law UCL claim (Count I), and award Prime Hospitals their
8 reasonable attorneys’ fees and costs as required by Cal. Civ. Proc. Code
9 § 425.16(c)(1).

10
11 Dated: June 30, 2026

JONES DAY

12
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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for the Defendants, certifies that this brief contains 6,014 words, which complies with the word limit of L.R. 11-6.1.

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