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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

DEFENDANTS' NOTICE OF MOTION AND 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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1 PLEASE TAKE NOTICE THAT on July 14, 2026 at 10:00 a.m., or as soon
2 thereafter as counsel may be heard, counsel will appear before the Honorable Mónica
3 Ramírez Almadani in Courtroom 9B of the United States District Court for the
4 Central District of California, located at Ronald Reagan Federal Building and United
5 States Courthouse, Santa Ana, located at 411 West 4th Street, Santa Ana, CA 92701-
6 4516.

7 Defendants Prime Healthcare Services – St. Francis, LLC, Chino Valley
8 Medical Center Auxiliary, Prime Healthcare Services – Encino Hospital, LLC, Prime
9 Healthcare Services – Garden Grove, LLC, Prime Healthcare Huntington Beach,
10 LLC, Prime Healthcare La Palma, LLC, Prime Healthcare Services – Montclair,
11 LLC, Prime Healthcare Paradise Valley, LLC, Prime Healthcare Services – Shasta,
12 LLC, Prime Healthcare Services – Sherman Oaks, LLC, and Prime Healthcare
13 Anaheim, LLC (collectively "Defendants") will and hereby do move this Court to
14 dismiss Plaintiffs Anthem Blue Cross Life and Health Insurance Company and Blue
15 Cross of California d/b/a Anthem Blue Cross's ("Anthem") Complaint. This motion
16 is made pursuant to Federal Rule of Civil Procedure 12(b)(1) on the grounds that this
17 Court lacks subject-matter jurisdiction over Anthem's claims and Federal Rule of
18 Civil Procedure 12(b)(6) on the grounds that Anthem has failed to plead a plausible
19 claim against Defendants. This Motion will be based on this Notice of Motion, the
20 concurrently filed Memorandum of Points and Authorities, Declaration of David M.
21 DeVito, and Request for Judicial Notice, the pleadings on file herein, and any further
22 argument presented at the hearing of this Motion.

23 This Motion is made following the telephonic conference of counsel pursuant
24 to L.R. 7-3, which took place on April 23, 2026. *See* Declaration of David M. DeVito
25 ¶¶ 3–4.
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Dated: April 27, 2026

JONES DAY

By: */s/ David M. DeVito*

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MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF DEFENDANTS' MOTION TO DISMISS

Hearing Date: July 14, 2026
Hearing Time: 10:00 a.m.
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Honorable Mónica Ramírez Almadani
United States District Judge

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I. INTRODUCTION

Prime Hospitals[1] are a collection of eleven community hospitals across California that provide critical, often life-saving medical care to those in most need—including Anthem's members. Prime Hospitals were out-of-network with Anthem, so no contract set reimbursement rates. Even so, Prime Hospitals provided necessary emergency and post-stabilization care to Anthem's insureds, and Anthem is legally required to pay for that care.

Payment disputes predictably followed. Prime Hospitals billed Anthem; Anthem routinely underpaid. Since 2022, the No Surprises Act ("NSA") has supplied the exclusive path forward: open negotiations, then (if negotiations fail) the Independent Dispute Resolution ("IDR") process, in which a certified Independent Dispute Resolution Entity ("IDRE") decides threshold eligibility and, if eligible, selects one party's payment offer in baseball-style arbitration.

That is the system Congress chose. When Anthem's underpayments and low offers were evaluated by neutral decisionmakers, Anthem often lost those IDR proceedings. Rather than accept those binding outcomes, Anthem now mounts a collateral attack seeking a do-over in this Court on *thousands of individual arbitrations it already lost*. Anthem and its affiliates have pursued the same playbook nationwide,[2] and Prime Hospitals are the latest target. Anthem repackages objections to Congress's IDR framework as claims against providers and arbitrators' binding awards. Anthem's Complaint reads like a press release or policy brief, not a pleading, and it fails to state any claim for relief.

---

[1] "Prime Hospitals" refers collectively to all eleven Defendants to this action.

[2] *Anthem Blue Cross Life & Health Ins.Co. v HaloMD, LLC*, No. 8:25-cv-01467 (C.D. Cal.); *Blue Cross Blue Shield Healthcare Plan of Ga., Inc. v. HaloMD, Inc.*, No. 1:25-cv-02919 (N.D. Ga.); *Comm. Ins. Co. v. HaloMD, LLC*, No. 1:25-cv-00388 (S.D. Ohio); *Anthem Health Plans of Va., Inc. v. AGS Health, Inc.*, No. 7:25-cv-00804 (W.D. Va.); *Blue Cross Blue Shield of Tex. v. Zotec Partners, LLC*, No. 5:25-cv-00186 (E.D. Tex.); *Blue Cross Blue Shield of Tex. v. HaloMD, LLC*, No. 5:25-cv-00132 (E.D. Tex.).

1 This Court should grant Prime Hospitals' motion to dismiss under Rules
2 12(b)(1) and 12(b)(6). The Court need not look far for guidance to that conclusion,
3 as Magistrate Judge Scott recently dismissed a nearly identical complaint brought by
4 Anthem through the same counsel and advancing similar theories. *Anthem Blue*
5 *Cross Life & Health Ins. Co. v. HaloMD LLC*, 2026 WL 982629 (C.D. Cal. Apr. 9,
6 2026). Here, as in *HaloMD*, the NSA's judicial-review bar strips subject-matter
7 jurisdiction over all but one claim. *Id.* at *2, *9–11. And the only claim that can be
8 heard still fails because Anthem does not—and cannot—plead grounds for vacatur
9 under the Federal Arbitration Act ("FAA") based on fraud, undue means, or
10 exceeding authority. *Id.* at *5–9.

11 Even if Anthem could allege jurisdiction, Anthem's theories fail on the merits.
12 The Noerr-Pennington doctrine bars liability for Prime Hospitals' use of the federally
13 created IDR process. Noerr-Pennington prevents plaintiffs from imposing liability
14 on First Amendment protected petitioning activity. Anthem's claims rest entirely on
15 Prime Hospitals' statements and submissions to federal arbitrators—i.e., protected
16 petitioning activity—and must be dismissed.

17 Issue preclusion independently bars Anthem's attempt to relitigate eligibility
18 and other determinations already decided in binding IDR proceedings. For each
19 dispute Anthem challenges, a neutral arbitrator considered Anthem's objections and
20 evidence and found the dispute eligible. Anthem cannot seek second bites in federal
21 court to revisit—and overturn—more than six thousand IDRE eligibility rulings it
22 already lost.

23 Finally, Anthem's claims also fail for claim-specific reasons. Its fraud theory
24 collapses because Anthem affirmatively alleges it knew of the supposed "false"
25 statements and objected during the arbitrations—thereby defeating reliance and any
26 basis for vacatur. Anthem likewise fails to plead a viable Unfair Competition Law
27 or ERISA claim, and neither federal nor California law recognizes a standalone cause
28 of action for declaratory or injunctive relief.

This Court should dismiss Anthem's Complaint in its entirety and without leave to amend.

II. FACTUAL BACKGROUND

A. Congress Enacts The No Surprises Act To End Surprise Billing And Resolve Payment Disputes.

The NSA became effective January 1, 2022. It protects patients from balance bills for certain out-of-network services when the patient's insurance company refuses to pay. 42 U.S.C. § 300gg-111. When the insurer and provider disagree on the proper payment amount, the NSA requires them to negotiate rather than bill the patient. If negotiations fail, either side can invoke binding arbitration through IDR, and an arbitrator will determine a reasonable payment amount. *Id.* § 300gg-111(c)(2).[3] The initiating party need only attest that the dispute is eligible for the proceedings "to the best of [its] knowledge." 45 C.F.R. § 149.510(b)(2)(iii)(A)(6); Compl. ¶ 66. The parties then select an IDRE jointly, or the government randomly assigns one if they cannot agree. 42 U.S.C. 300gg-111(c)(1)(B), (c)(4), (c)(4)(F)(ii). Each party pays a fee to compensate the IDRE. 26 C.F.R. § 54.9816-8T(d)(1).

At the start of each proceeding, the IDRE must assess whether the dispute is eligible.[4] 45 C.F.R. § 149.510(c)(1)(v). IDREs are compensated in part for "the

[3] *See also* Exhibit A, HHS et al., *Federal Independent Dispute Resolution (IDR) Process Guidance for Disputing Parties* 12 (updated Dec. 2023), https://www.cms.gov/files/document/federal-independent-dispute-resolution-guidance-disputing-parties.pdf (applying to services furnished before October 25, 2022); Exhibit B, HHS et al., *Federal Independent Dispute Resolution (IDR) Process Guidance for Disputing Parties* 13 (updated Dec. 2023), https://www.cms.gov/files/document/federal-idr-guidance-disputing-parties-march-2023.pdf (applying to services furnished after October 25, 2022).

[4] "[T]he certified IDR entities are responsible for ensuring that eligibility and payment determinations are accurate." Exhibit C, CMS, *Federal Independent 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.

costs incurred in determining" eligibility.[5] At this stage, "if the non-initiating party believes that the Federal IDR process is not applicable, the non-initiating party **must** . . . 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). Agency guidance reinforces this obligation[6] and makes clear that "[t]he certified IDR entity must determine whether the Federal IDR Process is applicable."[7]

The non-initiating party's disclosure requirements address information asymmetry between insurers and providers. Regulations mitigate that asymmetry by requiring insurers to submit applicable insurance plan coverage information to the IDRE. 29 C.F.R. § 2590.716-8(c)(4)(i)(A)(3)(iii); *see also* FHAS, *Important Updates to CMS IDR Portal Web Forms: What You Need to Know* (Sept. 12, 2025)[8] (requiring insurers to "attest to whether the health plan type selected by the initiating party is correct" and fix accordingly). And even then, eligibility determinations are "complex[]" and often require assessing choice of law issues, including whether a "specified state law" applies.[9] If the IDRE finds a dispute ineligible, it "must notify . . . the parties." 45 C.F.R. § 149.510(c)(1)(v). IDREs must properly perform these duties to remain certified. 42 U.S.C. § 300gg-111(c)(4)(A).

If a dispute proceeds, each party submits a single payment offer to the IDRE, along with supporting information. *Id.* § 300gg-111(c)(5)(B), (C). At that point, parties have another opportunity to raise eligibility and related objections through

[5] Federal Independent Dispute Resolution (IDR) Process Administrative Fee and Certified IDR Entity Fee Ranges, 88 Fed. Reg. 88494, 88505 (Dec. 21, 2023).

[6] *See* Exhibit A, *supra* n.3, at 16.

[7] *Id.*; Exhibit B, *supra* n.3, at 17.

[8] Archived at https://perma.cc/D93L-AMYB.

[9] 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.

their submissions. *Id.* § 300gg-111(c)(5)(B)(ii); *see* 29 C.F.R. § 2590.716-8(c)(4)(i)(B). In baseball-style arbitration, the IDRE considers the information submitted and selects the offer it finds most reasonable. 42 U.S.C. § 300gg-111(c)(5)(A); *see* Compl. ¶ 77. In doing so, IDREs may not consider the provider's billed charges or Medicare or Medicaid rates. 42 U.S.C. § 300gg-111(c)(5)(D); *see* Compl. ¶ 78. The resulting award is "binding." 42 U.S.C. § 300gg-111(c)(5)(E)(i)(I).

The Centers for Medicare & Medicaid Services ("CMS"), which oversees the program, also provides post-closure mechanisms for relief. Here, an aggrieved party gets still more chances to dispute eligibility.[10] CMS provided that, for "errors identified after dispute closure," parties may re-open closed arbitration proceedings for "jurisdictional error[s]" such as where the IDRE "incorrectly determines" eligibility.[11] Parties can even petition to revoke an IDRE's certification.[12] *Id.* § 300gg-111(c)(4)(D).

In choosing this administrative process, Congress strictly limited judicial review. "A determination of a certified IDR entity under subparagraph (A) -- (I) **shall be binding** upon the parties involved [and] . . . **shall not be subject to judicial review**, except in a case" that would allow a court to vacate an award under section 10(a) of the FAA. 42 U.S.C. § 300gg-111(c)(5)(E)(i) (emphasis added); *see* 9 U.S.C. § 10(a)(1)–(4). Thus, as this Court has held, aside from FAA-authorized vacatur, "the NSA precludes judicial review of IDR determinations, regardless of the legal theory under which judicial review is sought." *HaloMD*, 2026 WL 982629, at *2.

[10] Exhibit C, *supra* n.4, at 1.

[11] *Id.* at 1, 3.

[12] Exhibit E, CMS, *Submit a Petition to Revoke the Certification of a Current IDR Entity Providing Dispute Services* (last visited Apr. 27, 2026), https://www.cms.gov/nosurprises/help-resolve-payment-disputes/submit-feedback-on-certified-organizations.

B. Prime Hospitals Initiate IDR Proceedings, And IDRE Arbitrators Often Side With Prime Hospitals.

Prime Hospitals provide award-winning, often life-saving emergency medical care to numerous underserved communities in California, including out-of-network emergency care for Anthem members. *See* Compl. ¶¶ 11–21. When Prime Hospitals seek payment for this care, Anthem frequently underpays. Prime Hospitals invoked the congressionally established IDR procedure to seek appropriate reimbursement for the health care services they undisputedly provided.

Anthem alleges that Prime Hospitals concocted a scheme to "overwhelm" Anthem and the IDR system with ineligible disputes. *Id.* ¶¶ 90–107. To support its theory, Anthem asserts a jumbled list of grievances, ranging from Prime Hospitals' portal for initiating open negotiations, *id.* ¶¶ 108–18, to Prime Hospitals' representations when initiating IDR disputes, *id.* ¶ 90, to Prime Hospitals' payment offers, *id.* ¶ 5, to IDREs' incentive structure, *id.* ¶ 106, to the volume of disputes, *id.* ¶ 82, to the awards IDREs ultimately select, *id.* ¶ 85.[13] Repackaged as a "fraud" theory, these allegations are neither unique to Prime Hospitals nor point to anything unlawful. As the government has recognized, providers are "almost always the initiating parties" in IDR and often prevail, with IDREs choosing providers' offers approximately 85% of the time.[14]

Anthem's theory collapses on its own admissions. First, Anthem concedes it identified the claims it now deems ineligible both before or during the IDR proceedings. *Id.* ¶ 97. Anthem also admits that it raised eligibility objections—supported by "documentary proof"—directly to the IDREs. *See, e.g.*, *id.* ¶ 128. And

[13] Anthem alleges "fraud" has caused each of its thousands of IDR losses (but apparently none of its wins), as the insurer and its affiliates have levied fraud allegations against providers across the country who have bested Anthem in IDR. *See supra* n.2.

[14] Ryan J. Rosso & Wen W. Shen, *No Surprises Act (NSA) Independent Dispute Resolution (IDR) Process Data Analysis for 2024*, Cong. Rsch. Serv. (Nov. 26, 2025), https://www.congress.gov/crs-product/R48738#ifn29.

while IDREs sometimes agreed with Anthem, *see id.* ¶ 94, other times they rejected Anthem's position and reached a payment determination, *see id.* ¶¶ 123–245. In short, Anthem alleges that neutral, jointly-selected IDREs—armed with Anthem's specific objections and supposed "proof"—considered and overruled Anthem's objections, and found that Prime Hospitals' disputes were eligible. *See* 45 C.F.R. § 149.510(c)(1)(v). That is exactly how the IDR process is designed to work.

Second, the numbers do not support Anthem's claims of "overwhelming" abuse. Anthem boasts that it "processes tens of millions of health care claims annually"—more than 27,000 claims per day on average. Compl. ¶ 24. Yet it complains that eleven Prime Hospitals have filed roughly 9,000 IDR disputes over the relevant timeframe, *id.* ¶ 120—fewer than thirteen disputes per day on average, or barely more than one dispute per hospital per day. This trickle is Anthem's supposed "avalanche," which hardly evidences illegality or fraud.[15] Anthem identifies no cap on the number of disputes providers can submit. Providers can only file IDR disputes because insurers first underpay claims.

Third, Anthem faults the incentive structure Congress chose for IDRE compensation, asserting that arbitrators ignored eligibility "because [IDREs] only receive compensation if a dispute reaches a payment determination." *Id.* ¶ 106. That argument falls on its face. Congress, not Prime Hospitals, set the fee structure. *See HaloMD*, 2026 WL 982629, at *8 ("this fee structure is part of the IDR rules established by Congress"). Anthem does not (and cannot) allege any IDRE has been

[15] While Anthem points to the overall dispute volume exceeding the government's pre-enactment projections as suggestive of systemic abuse, Compl. ¶ 83, it fails to explain that those estimates were derived from data collected under a New York state law. Requirements Related to Surprise Billing; Part II, 86 Fed. Reg. 55980, 56056 (Oct. 7, 2021). The New York law produced a much lower number of disputes due to structural differences that made it a particularly bad comparator to the NSA. *See* Patrick Velliky, *A Surprise Benefit Of New Billing Dispute Rule: Reducing Administrative Burdens And Waste*, Health Affairs (Feb. 27, 2024), https://www.healthaffairs.org/content/forefront/surprise-benefit-new-billing-dispute-rule-reducing-administrative-burdens-and-waste?utm_medium=social&utm_source=linkedin&utm_campaign=forefront&utm_content=velliky.

compromised by bribery or corruption. On the contrary, Anthem admits that IDREs screened out many disputes, Compl. ¶ 94, requested Anthem's documentation supporting its eligibility objections, and sometimes found Anthem's proof unpersuasive. *See, e.g.*, *id.* ¶¶ 128–30. Anthem's disagreement with the outcome does not transform lawful adjudication into misconduct.

Fourth, Anthem criticizes awards that exceed the qualifying payment amount ("QPA")—the approximate median in-network contracting rate. *Id.* ¶ 87. But Anthem neglects to mention that insurers control these QPA calculations and thus can manipulate them to understate actual in-network rates.[16] Anthem also concedes that IDREs have broad discretion to consider multiple circumstances when selecting an offer. *Id.* ¶ 86; *see* 42 U.S.C. § 300gg-111(c)(5)(C). The NSA imposes no restriction on the amounts that parties may offer. *Plastic & Reconstructive Surgery Grp. v. Aetna, Inc.*, 2025 WL 3786117, at *3 (D. Conn. Dec. 31, 2025). Despite that freedom, Anthem further concedes that Prime Hospitals routinely submit offers **20% below** their actual billed charges, Compl. ¶ 5—offers that IDREs often found more reasonable than Anthem's. Given Anthem's pattern of underpayment, it is unsurprising that IDREs frequently select amounts above Anthem's preferred rates.

Finally, Anthem complains that Prime Hospitals' open-negotiation portal is inconvenient because it uses a secure format to share patient data. *Id.* ¶ 95. That allegation concedes that Prime Hospitals complied with the statutory requirement to initiate open negotiations; Anthem simply dislikes the method. *See id.* Still, Anthem fails to explain how this supports its theory that Prime Hospitals misrepresent disputes' eligibility, particularly when Anthem admits it routinely disputes eligibility directly before the IDREs. Portal design choices do not establish fraud.

At bottom, Anthem is a disappointed litigant. Instead of pursuing the multiple

[16] *See, e.g.*, HHS, *Report to Congress: 2024 Qualifying Payment Amount Audits* (Aug. 2025), https://www.govinfo.gov/content/pkg/CMR-HE22-00196613/pdf/CMR-HE2200196613.pdf (describing an HHS audit that found an insurer manipulated QPA by calculating based on amounts paid rather than contracted rates, which artificially deflated QPA).

internal remedies Congress and CMS provided—such as reopening allegedly ineligible disputes or challenging the certification of specific IDREs—Anthem brought this lawsuit to punish Prime Hospitals and deter future IDR filings. Anthem presents four equitable claims: (1) a California Unfair Competition Law ("UCL") claim; (2) a vacatur claim under the NSA; (3) an ERISA claim for equitable relief; and (4) a claim for declaratory and injunctive relief. *Id.* ¶¶ 246–71. And despite alleging only equitable claims, Anthem inexplicably demands unavailable compensatory, punitive, and treble damages. *Id.* ¶ Prayer for Relief.

III. LEGAL STANDARD

Rule 12(b)(1) allows motions to dismiss based on lack of subject-matter jurisdiction. Fed. R. Civ. P. 12(b)(1). Rule 12(b)(6) requires dismissal where the allegations, "taken as true, fail to plausibly show a legal violation." *Election Integrity Project Cal., Inc. v. Weber*, 113 F.4th 1072, 1081 (9th Cir. 2024). A court accepts the complaint's well-pleaded allegations as true, but not "conclusory statements, unreasonable inferences, and legal conclusions couched as factual allegations." *Id.* (cleaned up). Because Anthem's claims all sound in fraud, it must plead its allegations with particularity under Rule 9(b). *In re Finjan Holdings, Inc.*, 58 F.4th 1048, 1057 (9th Cir. 2023).

IV. ARGUMENT

A. This Court Lacks Subject-Matter Jurisdiction (Counts I, III, IV).

Congress was emphatic in the NSA: "A determination of a certified IDR entity under subparagraph (A) . . . **shall not be subject to judicial review**, except in a case" that would allow a court to **vacate** the award under the FAA. 42 U.S.C. § 300gg-111(c)(5)(E)(i) (emphases added); *see* 9 U.S.C. § 10(a)(1)–(4). Given this express incorporation, the exclusive means to challenge an IDR award is to seek vacatur under the FAA. *HaloMD*, 2026 WL 982629, at *2. Indeed, the "NSA expressly *bars* judicial review of IDR awards *except* as to the specific provisions

1 borrowed from the" FAA that allow vacatur. *Guardian Flight, L.L.C. v. Health Care*
2 *Serv. Corp.*, 140 F.4th 271, 275 (5th Cir. 2025) (emphases original).
3 The FAA, in turn, prohibits actions seeking "damages . . . for alleged
4 wrongdoing that compromised an arbitration award," which amounts to "an
5 impermissible collateral attack on the award itself." *Nickoloff v. Wolpoff &*
6 *Abramson, L.L.P.*, 511 F. Supp. 2d 1043, 1044 (C.D. Cal. 2007). "If arbitration is to
7 work, it must not be subjected to undue judicial interference." *Marino v. Writers*
8 *Guild of Am., E., Inc.*, 992 F.2d 1480, 1483 (9th Cir. 1993). For that reason, a party
9 cannot bring a non-FAA claim seeking "to reverse the outcome [of an arbitration] in
10 the subsequent proceeding or alleg[e] that the party was harmed by a wrongful act's
11 impact on the award." *Wachovia Sec., LLC v. Wiegand*, 2007 WL 9776732, at *4
12 (S.D. Cal. Apr. 16, 2007) (citation omitted); *see Sander v. Weyerhaeuser Co.*, 966
13 F.2d 501, 502–03 (9th Cir. 1992). This principle applies to claims of fraud committed
14 by the parties to the arbitration. *See Sander*, 966 F.2d at 503. In short, FAA vacatur
15 is the "**exclusive remedy**" against improper IDR determinations.[17] *Nickoloff*, 511 F.
16 Supp. 2d at 1044 (emphasis added). Given this jurisdictional limitation, Anthem
17 cannot pursue claims for money damages or prospective injunctive relief based on
18 harm caused by IDRE's determinations. *See HaloMD*, 2026 WL 982629, at *9–10
19 (allowing such claims to proceed would enable improper "end runs around the NSA's
20 limits on judicial review").
21 The Ninth Circuit has held similar collateral attacks improper. *Sander*, 966
22 F.2d at 503 (refusing to "upset the streamlined nature of arbitration by permitting the
23 launching of collateral attacks"). Such limitations on judicial review would become
24 "meaningless" if a party could circumvent them via a "an independent direct action,"
25 *id.*, or raise the "same issue . . . in another proceeding pursuant to a different set of
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27 [17] Non-collateral administrative avenues to relief remain open to Anthem. Anthem can seek to re-open awards if it believes the underlying claims were
28 ineligible. Exhibit C, *supra* n.4, at 1.

1 rules," *United Ass'n of Journeymen v. Valley Eng'rs*, 975 F.2d 611, 615 (9th Cir.
2 1992); *see also Gulf Petro Trading Co. v. Nigerian Nat'l Petroleum Corp.*, 512 F.3d
3 742, 750 (5th Cir. 2008) (holding that federal law bars most claims "alleging that
4 wrongdoing had tainted the arbitration proceedings and caused unfair awards");
5 *Corey v. N.Y. Stock Exch.*, 691 F.2d 1205, 1211–13 (6th Cir. 1982) (holding that
6 "altering the relief sought" will "not transform . . . an impermissible collateral attack
7 [on an arbitration award] into a proper independent direct action").
8 Addressing nearly identical allegations to those Anthem raises here, this Court
9 recently held that "the NSA precludes judicial review of IDR determinations,
10 **regardless of the legal theory** under which judicial review is sought[,]" **for any**
11 **claim other than vacatur**. *HaloMD*, 2026 WL 982629, *2 (emphasis added). The
12 Court dismissed Anthem's non-vacatur claims because they "cannot be adjudicated
13 without reviewing the correctness of past IDR awards or inserting the district court
14 in overseeing future IDR awards." *Id.* at *10.
15 This conclusion is further underscored by considering how Anthem's position
16 would apply had its losses occurred in state court, rather than arbitration. If Prime
17 Hospitals brought multiple state court suits challenging underpayments for which
18 Anthem believed jurisdiction was lacking, and Anthem failed to object or did but
19 repeatedly lost, could Anthem later bring a UCL claim to relitigate the state courts'
20 jurisdictional determinations? Surely not.
21 Congress's choice to insulate the judiciary from these collateral challenges
22 makes sense. Congress created the IDR process to help efficiently resolve out-of-
23 network disputes. CMS acknowledges these cases are "complex[]."[18] Allowing
24 losing parties to litigate—and re-litigate—the merits of these disputes would sap
25 judicial resources. Congress accordingly preferred "an administrative enforcement
26 mechanism" to "handle most award disputes instead of throwing open the floodgates
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28 [18] Exhibit D, *supra* n.9, at 3 (describing the "complexity in determining whether disputes were eligible for the Federal IDR process").

of litigation." *Guardian Flight*, 140 F.4th at 277. Anthem's only recourse in federal court is through its claim for vacatur, which, as explained below, is inadequately pled; the NSA's judicial review bar forecloses its other causes of action.

Nor can Anthem evade the bar by claiming it does not apply to eligibility determinations, only final "payment" determinations. Nowhere does the NSA draw a distinction between—on one side—rulings ordering one party to pay the other a certain amount—and on the other—questions of dispute eligibility. The provision states "[a] determination of a certified IDR entity under subparagraph (A) . . . shall not be subject to judicial review, except in a case described in any of paragraphs (1) through (4) of section 10(a) of title 9." 42 U.S.C. § 300gg-111(c)(5)(E)(i). This "determination" necessarily includes decisions about eligibility because "subparagraph A" of § 300gg-111(c)(5) encompasses all of the IDRE's work. Within 30 days of appointment, the IDRE must rule on the dispute and select one of the parties' submissions as the appropriate payment amount. No other section of the statute addresses eligibility rulings. So every "IDRE's payment determination necessarily includes a determination of eligibility[,]" *HaloMD*, 2026 WL 982629, at *9, meaning eligibility challenges are still just improper collateral challenges to "wrongdoing [that] tainted the [IDR] proceedings and caused unfair awards." *Gulf Petro*, 512 F.3d at 750.

By contrast, Anthem's proposed rule, "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." *HaloMD*, 2026 WL 982629, at *9 (emphasis original). And any "policy-based arguments" to the contrary are "better directed at Congress which alone has the power to rewrite the NSA." *Id.*

B. The Noerr-Pennington Doctrine Bars Anthem's Claims (Counts I, III, IV).

Even if Congress had not expressly foreclosed judicial review, most of

1 Anthem's claims fail for another reason: they are barred by the Noerr-Pennington
2 doctrine. This longstanding First Amendment doctrine safeguards the right to
3 petition before government agencies. *See United Mine Workers of Am. v.*
4 *Pennington*, 381 U.S. 657, 669–70 (1965); *Kaiser Found. Health Plan, Inc. v. Abbott*
5 *Lab'ys, Inc.*, 552 F.3d 1033, 1044 (9th Cir. 2009). The doctrine protects against any
6 claim based on that petitioning, including UCL claims predicated on allegedly
7 fraudulent petitions to adjudicators. *People ex rel. Gallegos v. Pac. Lumber Co.*, 158
8 Cal. App. 4th 950, 964–69 (2008) (applying Noerr-Pennington to preclude UCL
9 claim based on allegedly fraudulent petitioning of a government agency). The
10 doctrine's "ultimate purpose" is to "overprotect" even "potentially baseless petitions
11 to ensure that First Amendment rights are not chilled." *Ford Motor Co. v. Knight*
12 *Law Grp.*, 2025 WL 3306280, at *12 (C.D. Cal. Nov. 24, 2025) (citation omitted).
13 Here, the Noerr-Pennington doctrine shields Prime Hospitals' petitioning
14 through the IDR process. The Complaint's 271 paragraphs stand bereft of any
15 statement or action taken by Prime Hospitals outside of the context of the
16 congressionally-established NSA dispute process. To start, the IDR process is a
17 government-established adjudication before a neutral decisionmaker exercising
18 federal authority. 42 U.S.C. § 300gg-111(c). It is akin to an agency adjudication.
19 *See Allied Tube & Conduit Corp. v. Indian Head, Inc.*, 486 U.S. 492, 506–07 (1988);
20 *see also Viriyapanthu v. California*, 2018 WL 6136150, at *7 (C.D. Cal. Sept. 24,
21 2018) (applying doctrine to "quasi-judicial proceeding[]" before a county bar
22 association); *Eurotech, Inc. v. Cosmos European Travels Aktiengesellschaft*, 189 F.
23 Supp. 2d 385, 392–93 (E.D. Va. 2002) (applying doctrine to arbitration proceedings
24 before a quasi-public entity). Next, the same core allegations regarding IDR
25 misrepresentations animate each of Anthem's claims. Thus, Noerr-Pennington gives
26 Prime Hospitals presumptive immunity. *See Sosa v. DIRECTV, Inc.*, 437 F.3d 923,
27 942 (9th Cir. 2006) (explaining the Ninth Circuit "construe[s] federal statutes so as
28 to avoid burdens on activity arguably falling within the scope of the Petition Clause

1 of the First Amendment").

2 Anthem has the burden of establishing some exception applies. *Evans Hotels,*
3 *LLC v. Unite Here! Loc. 30*, 2021 WL 10310815, at *6 (S.D. Cal. Aug. 26, 2021).
4 None does. While courts have recognized a narrow exception for "sham litigation,"
5 that cannot save Anthem's claims. *Sosa*, 437 F.3d at 934. Critically, a "winning
6 lawsuit is by definition a reasonable effort at petitioning for redress and therefore not
7 a sham." *Pro. Real Estate Inv. v. Columbia Pictures, Indus.*, 508 U.S. 49, 60 n.5
8 (1993) ("*PRE*"). Given the exceedingly high standard required to invoke the
9 exception, it is unsurprising that the Ninth Circuit has routinely affirmed dismissals
10 under Noerr-Pennington for failure to adequately plead the sham exception. *See, e.g.*,
11 *B&G Foods N. Am., Inc. v. Embry*, 29 F.4th 527, 539 (9th Cir. 2022); *Manistee Town*
12 *Ctr. v. City of Glendale*, 227 F.3d 1090, 1095 (9th Cir. 2000).

13 Anthem has not met its burden to plausibly allege that the "extraordinarily
14 narrow" sham exception applies. *U.S. Futures Exch., L.LC. v. Bd. of Trade of the*
15 *City of Chic.*, 953 F.3d 955, 963 (7th Cir. 2020). It does not allege that the IDR
16 proceedings were "not genuinely aimed at procuring favorable government action,"
17 *City of Columbia v. Omni Outdoor Advert., Inc.*, 499 U.S. 365, 380 (1991) (citation
18 omitted), or that "no reasonable litigant could realistically expect success" in the IDR
19 proceedings, *PRE*, 508 U.S. at 60. Just the opposite. Anthem openly admits Prime
20 Hospitals often prevailed. Compl. ¶¶ 85, 94. And to the extent Anthem claims
21 eligibility was misrepresented, Anthem admits it objected and IDREs often found its
22 objections unpersuasive, and thus cannot show that the adjudicator could not "detect
23 the alleged false representation itself." *Aventis Pharma S.A. v. Amphastar Pharms.*,
24 *Inc.*, 2009 WL 8727693, at *13 (C.D. Cal. Feb. 17, 2009).

25 In sum, the Noerr-Pennington doctrine bars Anthem's attempt to penalize
26 Prime Hospitals' petitions to the federal dispute resolution process.

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C. Issue Preclusion Estops Anthem From Re-Litigating The IDREs' Determinations (Counts I, III, IV)

Issue preclusion also requires dismissal of claims seeking monetary or prospective injunctive relief. Anthem had a full opportunity to contest eligibility and lost, so issue preclusion bars Anthem from re-litigating the eligibility of those same disputes in this Court. The idea of issue preclusion "is straightforward: Once a court has decided an issue, it is 'forever settled as between the parties[.]'" *B & B Hardware, Inc. v. Hargis Indus.*, 575 U.S. 138, 147 (2015) (citation omitted). It attaches to administrative determinations and arbitration awards. *Id.* at 148. Where Congress authorizes administrative adjudicators to resolve disputes, it is presumed to have "legislated with the expectation that the principle [of issue preclusion] will apply" to those decisions except in those limited circumstances "when a statutory purpose to the contrary is evident." *Id.* (citation omitted).

Federal common law determines the preclusive effect of a federal tribunal's decision, like an IDRE's arbitration rulings. *See Taylor v. Sturgell*, 553 U.S. 880, 891 (2008). Issue preclusion attaches where: "(1) the issue at stake was identical in both proceedings; (2) the issue was actually litigated and decided in the prior proceedings; (3) there was a full and fair opportunity to litigate the issue; and (4) the issue was necessary to decide the merits." *Hansen v. Musk*, 122 F.4th 1162, 1172 (9th Cir. 2024) (citation omitted).

IDR proceedings occur before federally-established adjudicative tribunals, and Congress did nothing to disturb the presumption of preclusion. *See B & B Hardware*, 575 U.S. at 148. And all four issue preclusion elements are satisfied. *First*, for each contested award, the IDRE ruled against Anthem on eligibility—the cornerstone of Anthem's fraud-scheme theory. Compl. ¶ 2. *Second*, every IDR award necessarily rests on a predicate eligibility finding; ineligible disputes did not result in awards. 45 C.F.R. § 149.510(c)(1)(v). *Third*, each IDR award represents a final judgment on the merits. *Fourth*, Anthem had a full and fair opportunity to contest eligibility in

1 each IDR proceeding. *Id.* § 149.510(c)(1)(iii); *see Patricia H. v. Berkeley Unified*
2 *Sch. Dist.*, 830 F. Supp. 1288, 1301 (N.D. Cal. 1993) ("[A]n agency proceeding need
3 not have all the indicia of a trial to have a preclusive effect."). In fact, Anthem *did*
4 contest eligibility, which included the opportunity (which Anthem alleges it utilized)
5 to submit its position and even supposed "documentary proof to the IDRE[.]" *See,*
6 *e.g.*, Compl. ¶¶ 127–30. Both under the NSA's text and issue preclusion law, this
7 Court cannot entertain Anthem's claims for monetary or prospective relief.

8 **D. Anthem Has Not Alleged A Claim To Vacate Awards En Masse**
9 **(Count II).**

10 Anthem likewise fails to state a claim for vacatur. Anthem's vacatur request
11 must satisfy 9 U.S.C. § 10(a)'s rigorous requirements—the exclusive basis for
12 vacating an IDR award. *Reach Air Med. Servs. LLC v. Kaiser Found. Health Plan*
13 *Inc.*, 160 F.4th 1110, 1121–24 (11th Cir. 2025) (affirming dismissal of attempt to
14 vacate NSA IDR award because plaintiff knew the alleged truth such that defendant's
15 statements to the IDRE did not mislead plaintiff). Anthem's two attempts to meet
16 this standard fail.

17 Anthem first contends the awards should be vacated for fraud or undue means.
18 Compl. ¶ 256; 9 U.S.C. § 10(a)(1). That requires plaintiffs to demonstrate (1) "clear
19 and convincing evidence" of fraud, (2) the fraud could "not be discoverable by due
20 diligence before or during the proceeding," and (3) the fraud was "materially related
21 to the submitted issue." *Pac. & Arctic Ry. & Nav. Co. v. United Transp. Union*, 952
22 F.2d 1144, 1148 (9th Cir. 1991); *see A.G. Edwards & Sons, Inc. v. McCollough*, 967
23 F.2d 1401, 1404 (9th Cir. 1992) (same test for undue means). "[W]here the fraud or
24 undue means is not only discoverable, but discovered and brought to the attention of
25 the arbitrators, a disappointed party will not be given a second bite at the apple."
26 *A.G. Edwards*, 967 F.2d at 1404.

27 As to vacatur based on fraud, Anthem "has pleaded itself out of
28 court . . . because the 'fraud' was known during the IDR and disclosed to the IDRE."

1 *HaloMD*, 2026 WL 982629, at *8. Anthem concedes the supposed fraud was "not
2 only discoverable, but discovered and brought to the attention of" IDREs. *A.G.*
3 *Edwards*, 967 F.2d at 1404. Anthem "sen[t] multiple communications informing
4 providers when services [were allegedly] ineligible for the IDR process" and filed
5 objections with IDREs. Compl. ¶ 69; *see, e.g.*, *id.* ¶¶ 123–245 (listing examples).
6 Anthem does not allege "even one example of an IDR determination" where "a
7 Defendant made a false eligibility attestation based on facts that [Anthem] did not
8 know, and could not reasonably have known, before or during the IDR process."
9 *HaloMD*, 2026 WL 982629, at *8; *see, e.g.*, Compl. ¶¶ 128–30 (alleging specific
10 dispute where IDRE requested documentation and ruled against Anthem).

11 Anthem's gripes about procedural mechanisms supposedly missing from the
12 IDR process, such as live hearings, depositions, and cross-examination, change
13 nothing. *HaloMD*, 2026 WL 982629, at *8. These mechanisms "are not necessary
14 to bring allegedly fraudulent eligibility attestations to an IDRE's attention"—which
15 Anthem admits it was able to do—and any argument for expanded judicial review
16 based on their absence "would be inconsistent with the NSA's creation of a
17 streamlined IDR process for resolving surprise billing disputes and its limitations on
18 judicial review." *Id.*

19 Anthem also suggests the IDREs exceeded their authority under 9 U.S.C.
20 § 10(a)(4). Compl. ¶ 257. "This is a very high standard for vacatur," and it is "not
21 enough for petitioners to show that the panel committed an error—or even a serious
22 error." *Sanchez v. Elizondo*, 878 F.3d 1216, 1221 (9th Cir. 2018) (citations omitted).
23 An arbitral panel exceeds its authority only where an award is "completely irrational"
24 or exhibits a "manifest disregard of law." *Id.* at 1221–22. Anthem comes nowhere
25 close, contending only that the IDREs erred by "issuing payment determinations"
26 "that are not qualified IDR items and services within the scope of the NSA's IDR
27 process." Compl. ¶ 257. But IDREs unquestionably have authority to make those
28 eligibility and payment determinations. *See* 45 C.F.R. § 149.510(c)(1)(v). Anthem

1 disagrees with those determinations, but that disagreement does not suffice for
2 vacatur. *See HaloMD*, 2026 WL 982629, at *9.

3 Beyond those fatal flaws, Anthem also has not particularly alleged the error
4 infecting "*every* challenged IDR determination" under Rule 9(b). *Id.* at *9 n.5
5 (emphasis added); *see Reach Air*, 160 F.4th at 1121–23 (affirming dismissal of
6 attempt to vacate NSA IDR awards for failure to satisfy Rule 9(b)). Instead, Anthem
7 seeks a blanket vacatur of "more than 6,000" individual IDR awards since January
8 2024. Compl. ¶ 2. Congress barred judicial review of IDRE determinations except
9 where, as relevant here, "the award was procured" by fraud or "the arbitrators
10 exceeded their powers[.]" 9 U.S.C. § 10(a). As a result, litigants must sufficiently
11 plead "**the**" error infecting each determination to obtain judicial review. *Id.*
12 (emphasis added). In attempting to plead vacatur en masse, Anthem has not done so.

13 **E. Anthem's Other Claims Fail For Claim-Specific Reasons (Counts**
14 **I, III, IV).**

15 In addition to its "alternative" vacatur claim, Compl. ¶ 255, Anthem asserts
16 UCL and ERISA claims, as well as a supposed cause of action for declaratory and
17 injunctive relief, *id.* ¶¶ 246–53, 259–71. The Court should dismiss these claims for
18 the reasons discussed above—subject matter jurisdiction is lacking and they are
19 barred by Noerr Pennington and issue preclusion. *Supra* Parts IV.A, IV.B, IV.C. But
20 each also fails for claim-specific reasons.

21 ***Unfair Competition Law.*** The Court should dismiss Anthem's UCL claim for
22 the reasons outlined in Prime Hospitals' contemporaneously filed Special Motion to
23 Strike. Special Motion to Strike at 6–17.

24 ***ERISA.*** Anthem cannot use ERISA to evade the NSA's judicial review limits.
25 The ERISA provision Anthem invokes was added by the NSA, 29 U.S.C. § 1185e.
26 *See Tex. Med. Ass'n v. HHS*, 110 F.4th 762, 768 n.6 (5th Cir. 2024). As explained
27 above, § 300gg-111 of the NSA limits judicial review solely to vacatur under the
28 FAA. *Supra* Part IV.A. Section 1185e of ERISA repeats this limitation. 29 U.S.C.

1 § 1185e(c)(5)(E)(i). And it is common "statutory construction that the specific
2 governs the general[.]" *Morales v. Trans World Airlines, Inc.*, 504 U.S. 374, 384
3 (1992). ERISA's catch-all cause of action in 29 U.S.C. § 1132(a)(3) "does not
4 supplant the NSA's specific limitations on judicial review." *HaloMD*, 2026 WL
5 982629, at *10.

6 Anthem also fails to allege standing under § 1132(a)(3), which permits
7 equitable claims brought by "a participant, beneficiary, or fiduciary[.]" Anthem only
8 claims fiduciary standing as an administrator of ERISA-governed health plans.
9 Compl. ¶¶ 260–61. Yet administrators do not automatically qualify as ERISA
10 fiduciaries. *In re Out of Network Substance Use Disorder Claims against*
11 *UnitedHealthcare*, 2022 WL 17080378, at *5–6 (C.D. Cal. Oct. 14, 2022).
12 Performing ministerial claims-processing does not confer fiduciary standing. *See*
13 *Smith v. Univ. of S. Cal.*, 2019 WL 988681, at *2 (C.D. Cal. Jan. 22, 2019). Instead,
14 the administrator must exercise "discretionary authority" over the "administration"
15 or "management of [the] plan" or control over the "management or disposition of
16 [plan] assets[.]" 29 U.S.C. § 1002(21)(A).

17 Anthem has not made this showing. Anthem claims to have "discretionary
18 authority to recover overpayments" and "administer the IDR process for the plans[.]"
19 Compl. ¶ 260. The latter task is ministerial. *See* 29 C.F.R. § 2509.75-8 (D-2).
20 Anthem's vague "recover overpayments" allegation fails too. Anthem cannot
21 "merely allege that [it is a] fiduciar[y]" by virtue of delegated authority "to pursue
22 the recovery of overpayments" "without providing specific facts to support [its]
23 allegations." *In re SmithKline Beecham Clinical Lab'ys*, 108 F. Supp. 2d 84, 103–
24 04 (D. Conn. 1999).

25 Even then, Anthem's allegations work against it. Anthem appears to contend
26 it has "authority or control" over the "management or disposition of [plan] assets" by
27 recovering plan overpayments. 29 U.S.C. § 1002(21)(A). But Anthem's entire
28 Complaint bemoans that **Anthem** overpaid, not ERISA plans. *See, e.g.*, Compl. ¶ 2;

1 *id.* ¶ 119. In its IDR examples involving plans Anthem administers for other entities,
2 Anthem never once alleges overpayments by ERISA plans out of their assets. *See,*
3 *e.g.*, *id.* ¶¶ 138, 146.
4 At most, Anthem says that ERISA "plans typically [but] not
5 always . . . reimburse Anthem" for IDR awards. *Id.* ¶ 27. Here, Anthem necessarily
6 concedes that **the plans** alone control the management and disposition of their own
7 assets. *See IT Corp. v. Gen. Am. Life Ins.*, 107 F.3d 1415, 1421 (9th Cir. 1997). If
8 Anthem controlled plan assets, Anthem would surely reimburse itself for every
9 award.
10 ***Declaratory and Injunctive Relief.*** Finally, Anthem has no standalone cause
11 of action for declaratory and injunctive relief. Not under federal law. *City of Reno*
12 *v. Netflix, Inc.*, 52 F.4th 874, 878 (9th Cir. 2022) ("[T]he Declaratory Judgment Act
13 does not provide an affirmative cause of action where none otherwise exists."). Not
14 under California law. *Faunce v. Cate*, 222 Cal. App. 4th 166, 173 (2013)
15 ("[I]njunctive and declaratory relief are equitable remedies, not causes of action.").
16 Once the Court dismisses Anthem's substantive claims, it should dismiss this "claim"
17 too. *Kimball v. Flagstar Bank F.S.B.*, 881 F. Supp. 2d 1209, 1219–20 (S.D. Cal.
18 2012).
19 **F. Anthem Cannot Obtain Legal Remedies.**
20 Anthem demands legal remedies despite presenting exclusively equitable
21 claims. Compl. ¶¶ 246–71. UCL claims entitle plaintiffs only to equitable remedies
22 like restitution and injunctive relief, but not damages. *Safeway, Inc. v. Super. Ct.*,
23 238 Cal App. 4th 1138, 1147 (2015). Anthem's other claims are explicitly equitable
24 in nature. Compl. ¶¶ 254–71. Undeterred, Anthem demands "monetary damages[,]"
25 including compensatory and punitive damages. *Id.* ¶ Prayer for Relief. Anthem even
26 wants treble damages, *id.*, perhaps a holdover from its past complaints against others
27 asserting civil RICO claims, *supra* n.2. Anthem cannot receive legal remedies here.
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V. CONCLUSION

Anthem's Complaint is not a good-faith effort to plead a viable claim; it is a collateral attack on the No Surprises Act's binding IDR process and on thousands of awards Anthem lost. Congress foreclosed that end run. Anthem's disagreement with the outcome—reflecting neutral arbitrators' determinations that Anthem underpaid for covered care—does not state a claim. The Court should grant Prime Hospitals' motion without leave to amend and dismiss the Complaint with prejudice.

Dated: April 27, 2026

JONES DAY

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CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for the Defendants, certifies that this brief contains 6,455 words, which complies with the word limit of L.R. 11-6.1.

Dated: April 27, 2026 JONES DAY

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