

1 James L. Poth (SBN 185042)
jlpoth@jonesday.com
2 JONES DAY
3161 Michelson Drive, Suite 800
3 Irvine, California 92612
Telephone: +1.949.851.3939
4 Facsimile: +1.949.553.7539

5 B. Kurt Copper (*pro hac vice*)
bkopper@jonesday.com
6 JONES DAY
2727 North Harwood Street, Suite 500
7 Dallas, Texas 75201
Telephone: +1.214.220.3939
8 Facsimile: +1.214.969.5100

9 Attorneys for Defendants

10 [additional attorney information
11 continued on following pages]

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

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

16 Plaintiffs,

17 v.

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

20 Defendants.
21

Case No. 8:26-cv-00023

**DEFENDANTS’ NOTICE OF
MOTION AND 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

1 David M. DeVito (SBN 243695)
ddevito@jonesday.com
2 JONES DAY
555 California Street, 26th Floor
3 San Francisco, California 94104
Telephone: +1.415.626.3939
4 Facsimile: +1.415.875.5700

5 Nicholas J. Rawls (SBN 349996)
nrawls@jonesday.com
6 JONES DAY
555 South Flower Street, Fiftieth Floor
7 Los Angeles, California 90071
Telephone: +1.213.489.3939
8 Facsimile: +1.213.243.2539

9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1
2 PLEASE TAKE NOTICE THAT on July 14, 2026 at 10:00 a.m., or as soon
3 thereafter as counsel may be heard, counsel will appear before the Honorable Mónica
4 Ramírez Almadani in Courtroom 9B of the United States District Court for the
5 Central District of California, located at Ronald Reagan Federal Building and United
6 States Courthouse, Santa Ana, located at 411 West 4th Street, Santa Ana, CA 92701-
7 4516.

8 Defendants Prime Healthcare Services – St. Francis, LLC, Chino Valley
9 Medical Center Auxiliary, Prime Healthcare Services – Encino Hospital, LLC, Prime
10 Healthcare Services – Garden Grove, LLC, Prime Healthcare Huntington Beach,
11 LLC, Prime Healthcare La Palma, LLC, Prime Healthcare Services – Montclair,
12 LLC, Prime Healthcare Paradise Valley, LLC, Prime Healthcare Services – Shasta,
13 LLC, Prime Healthcare Services – Sherman Oaks, LLC, and Prime Healthcare
14 Anaheim, LLC (collectively “Defendants”) will and hereby do move this Court to
15 strike Counts I and IV of Plaintiffs Anthem Blue Cross Life and Health Insurance
16 Company and Blue Cross of California d/b/a Anthem Blue Cross’s (“Anthem”)
17 Complaint. This motion is made pursuant to California’s anti-strategic lawsuit
18 against public participation statute, Cal. Civ. Proc. Code § 425.16. This Motion is
19 made on the grounds that (1) Anthem’s state-law claims arise from acts in furtherance
20 of Defendants’ constitutional right to petition and (2) Anthem cannot establish that
21 there is a probably that it will prevail on its state law claims. This Motion respectfully
22 requests for the Court to award Defendants their attorney’s fees and costs in an
23 amount to be determined. This Motion will be based on this Notice of Motion, the
24 concurrently filed Memorandum of Points and Authorities, Declaration of David M.
25 DeVito, and Request for Judicial Notice, the pleadings on file herein, and any further
26 argument presented at the hearing of this Motion.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

¶¶ 3-4.

Dated: April 27, 2026

JONES DAY

By: /s/ David M. DeVito

David M. DeVito
James L. Poth
B. Kurt Copper (*pro hac vice*)
Nicholas J. Rawls

Attorneys for Defendants
PRIME HEALTHCARE SERVICES –
ST. FRANCIS, LLC; CHINO VALLEY
MEDICAL CENTER AUXILIARY;
PRIME HEALTHCARE SERVICES –
ENCINO HOSPITAL, LLC; PRIME
HEALTHCARE SERVICES –
GARDEN GROVE, LLC; PRIME
HEALTHCARE
HUNTINGTON BEACH, LLC; PRIME
HEALTHCARE LA PALMA, LLC;
PRIME HEALTHCARE SERVICES –
MONTCLAIR, LLC; PRIME
HEALTHCARE PARADISE VALLEY,
LLC; PRIME HEALTHCARE
SERVICES - SHASTA, LLC; PRIME
HEALTHCARE SERVICES –
SHERMAN OAKS, LLC; AND PRIME
HEALTHCARE ANAHEIM, LLC

1 James L. Poth (SBN 185042)
jlpoth@jonesday.com
2 JONES DAY
3161 Michelson Drive, Suite 800
3 Irvine, California 92612
4 Telephone: +1.949.851.3939
Facsimile: +1.949.553.7539

5 B. Kurt Copper (*pro hac vice*)
bkcopper@jonesday.com
6 JONES DAY
2727 North Harwood Street, Suite 500
7 Dallas, Texas 75201
8 Telephone: +1.214.220.3939
Facsimile: +1.214.969.5100

9 Attorneys for Defendants

10 [additional attorney information
11 continued on following pages]

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

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

16 Plaintiffs,

17 v.

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

20 Defendants.

Case No. 8:26-cv-00023

**MEMORANDUM OF POINTS
AND AUTHORITIES 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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

David M. DeVito (SBN 243695)
ddevito@jonesday.com
JONES DAY
555 California Street, 26th Floor
San Francisco, California 94104
Telephone: +1.415.626.3939
Facsimile: +1.415.875.5700

Nicholas J. Rawls (SBN 349996)
nrawls@jonesday.com
JONES DAY
555 South Flower Street, Fiftieth Floor
Los Angeles, California 90071
Telephone: +1.213.489.3939
Facsimile: +1.213.243.2539

TABLE OF CONTENTS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Page

I. INTRODUCTION..... 1

II. LEGAL STANDARD 2

III. ARGUMENT 3

 A. Anthem’s State Law Claims Arise Out Of Prime Hospitals’ Protected Activities..... 4

 B. Anthem Has Not Particularly Alleged a UCL Violation (Count I)..... 6

 1. Anthem’s UCL claim fails for the reasons outlined in Prime Hospitals’ Motion to Dismiss. 7

 2. California’s statutory litigation privilege bars Anthem’s UCL claim. 8

 3. Anthem does not and cannot allege actual reliance and thus lacks UCL standing..... 10

 4. Anthem otherwise fails to particularly allege the elements of a UCL claim. 12

 C. Anthem Has No Cause Of Action For Declaratory Or Injunctive Relief Under California Law (Count IV)..... 17

 D. The Court Should Award Prime Hospitals Its Reasonable Attorney’s Fees And Costs. 18

IV. CONCLUSION 18

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF AUTHORITIES

Page(s)

CASES

A.B. by & Through Turner v. Google LLC,
737 F. Supp. 3d 869 (N.D. Cal. 2024)..... 12

Aftandilian v. Wells Fargo Bank, N.A.,
786 F. App'x 696 (9th Cir. 2019)..... 7

Anthem Blue Cross Life & Health Ins. v. HaloMD LLC,
2026 WL 982629 (C.D. Cal. Apr. 9, 2026)..... 2, 7

Avraham Plastic Surgery LLC v. Aetna, Inc.,
2025 WL 3779084 (E.D.N.Y. Dec. 30, 2025) 6

Backhaut v. Apple, Inc.,
74 F. Supp. 3d 1033 (N.D. Cal. 2014)..... 12

Bardin v. DaimlerChrysler Corp.,
136 Cal. App. 4th 1255 (2006)..... 16, 17

Chabner v. United of Omaha Life Ins.,
225 F.3d 1042 (9th Cir. 2000)..... 7

Cisco Sys., Inc. v. Dexon Computer, Inc.,
2021 WL 5848080 (N.D. Cal. Dec. 9, 2021) 10

Conrad v. Bank of Am.,
45 Cal. App. 4th 133 (1996)..... 11

Daniel v. Ford Motor Co.,
806 F.3d 1217 (9th Cir. 2015)..... 14

Dean v. Kaiser Found. Health Plan, Inc.,
562 F. Supp. 3d 928 (C.D. Cal. 2022)..... 5

Doe v. CVS Pharmacy, Inc.,
982 F.3d 1204 (9th Cir. 2020)..... 16, 17

Durell v. Sharp Healthcare,
183 Cal. App. 4th 1350 (2010)..... 10

Election Integrity Project Cal., Inc. v. Weber,
113 F.4th 1072 (9th Cir. 2024)..... 3, 16

Faunce v. Cate,
222 Cal. App. 4th 166 (2013)..... 17

Graham v. Bank of Am., N.A.,
226 Cal. App. 4th 594 (2014)..... 12

1 *Guardian Flight, L.L.C. v. Health Care Serv. Corp.*,
140 F.4th 271 (5th Cir. 2025)..... 5, 6, 9

2

3 *In re Finjan Holdings, Inc.*,
58 F.4th 1048 (9th Cir. 2023)..... 3

4 *In re Friend*,
11 Cal. 5th 720 (2021)..... 13

5

6 *Jent v. N. Trust Corp.*,
2013 WL 5806024 (E.D. Cal. Oct. 28, 2013) 11

7 *Kachuck Enters. v. Mission Produce, Inc.*,
2026 WL 216475 (C.D. Cal. Jan. 22, 2026)..... 10

8

9 *Kashian v. Harriman*,
98 Cal. App. 4th 892 (2002)..... 6

10 *Kearney v. Foley & Lardner*,
553 F. Supp. 2d 1178 (S.D. Cal. 2008) 18

11

12 *Kearns v. Ford Motor Co.*,
567 F.3d 1120 (9th Cir. 2009)..... 6, 7

13 *Kibler v. N. Inyo Cnty. Loc. Hosp. Dist.*,
39 Cal. 4th 192 (2006)..... 5

14

15 *Kimball v. Flagstar Bank F.S.B.*,
881 F. Supp. 2d 1209 (S.D. Cal. 2012) 17

16 *Komarova v. Nat’l Credit Acceptance, Inc.*,
175 Cal. App. 4th 324 (2009)..... 8

17

18 *Kwikset Corp. v. Superior Ct.*,
51 Cal. 4th 310 (2011)..... 10

19 *Lambert v. Carneghi*,
158 Cal. App. 4th 1120 (2008)..... 8, 9

20

21 *Mallard v. Progressive Choice Ins.*,
188 Cal. App. 4th 531 (2010)..... 5

22 *Manufactured Home Cmty. v. County of San Diego*,
655 F.3d 1171 (9th Cir. 2011)..... 18

23

24 *McNair v. City & Cnty. of San Francisco*,
5 Cal. App. 5th 1154 (2016)..... 8

25 *Mindys Cosms., Inc. v. Dakar*,
611 F.3d 590 (9th Cir. 2010)..... 3

26

27 *Mission Beverage Co. v. Pabst Brewing Co.*,
15 Cal. App. 5th 686 (2017)..... 5

28

1 *Moore v. Conliffe*,
 7 Cal. 4th 634 (1994)..... 8, 9

2

3 *Morizur v. Seaworld Parks & Ent., Inc.*,
 2020 WL 6044043 (N.D. Cal. Oct. 13, 2020)..... 11

4 *Mosafer Inc. v. Broidy*,
 2022 WL 793029 (C.D. Cal. Feb. 4, 2022)..... 11

5

6 *Nazemi v. Specialized Loan Servicing, LLC*,
 637 F. Supp. 3d 856 (C.D. Cal. 2022)..... 16

7 *Nickoloff v. Wolpoff & Abramson, L.L.P.*,
 511 F. Supp. 2d 1043 (C.D. Cal. 2007)..... 8

8

9 *Nifty Techs., Inc. v. Mango Techs., Inc.*,
 2025 WL 1826430 (S.D. Cal. July 1, 2025)..... 10

10 *Olsen v. Harbison*,
 191 Cal. App. 4th 325 (2010)..... 8

11

12 *Ouiby Inc. v. Posey*,
 2018 WL 732493 (N.D. Cal. Feb. 6, 2018)..... 11

13 *People ex rel. Gallegos v. Pac. Lumber Co.*,
 158 Cal. App. 4th 950 (2008)..... 7, 8

14

15 *People v. Potter Handy, LLP*,
 97 Cal. App. 5th 938 (2023)..... 8, 9

16 *Philipson & Simon v. Gulsvig*,
 154 Cal. App. 4th 347 (2007)..... 4

17

18 *Planned Parenthood Fed’n of Am., Inc. v. Ctr. for Med. Progress*,
 890 F.3d 828 (9th Cir. 2018)..... 3

19 *Rasidescu v. Midland Credit Mgmt., Inc.*,
 496 F. Supp. 2d 1155 (S.D. Cal. July 26, 2007) 8

20

21 *Reach Air Med. Servs. v. Kaiser Found. Health Plan*,
 160 F.4th 1110 (11th Cir. 2025)..... 11

22 *San Diegans for Open Gov’t v. San Diego State Univ. Rsch. Found.*,
 13 Cal. App. 5th 76 (2017)..... 6

23

24 *Silberg v. Anderson*,
 50 Cal. 3d 205 (1990)..... 8, 9

25 *United States v. Clay*,
 162 F.4th 757 (6th Cir. 2025) (per curiam)..... 13, 14

26

27 *United States v. Elfenbein*,
 144 F.4th 551 (4th Cir. 2025)..... 13

28

1 *United States v. Jones*,
 471 F.3d 478 (3d Cir. 2006) 13

2

3 *United States v. Univ. of S. Cal.*,
 2023 WL 2682298 (C.D. Cal. Feb. 9, 2023) 12

4 *Universal Health Servs., Inc. v. United States*,
 579 U.S. 176 (2016) 13, 14

5

6 *Vess v. Ciba-Geigy Corp. USA*,
 317 F.3d 1097 (9th Cir. 2003) 2, 3, 4, 6

7 *Williams v. Apple, Inc.*,
 449 F. Supp. 3d 892 (N.D. Cal. 2020) 10

8

9 *Zhang v. Superior Ct.*,
 57 Cal. 4th 364 (2013) 9

10 **STATUTES**

11 9 U.S.C. § 10 7

12 18 U.S.C. § 24 14

13 18 U.S.C. § 1347 13

14 42 U.S.C. § 300gg-111 5, 6, 7

15 Cal. Bus. & Prof. Code § 17204 passim

16 Cal. Civ. Code § 47 7

17 Cal. Civ. Proc. Code § 425.16 passim

18 Cal. Penal Code § 550 12, 13

19 **OTHER AUTHORITIES**

20 45 C.F.R. § 149.510 6

21 Fed. R. Civ. P. 9 passim

22 Fed. R. Civ. P. 12 3

23 Restatement (Third) of Torts § 11 11

24

25

26

27

28

1 **I. INTRODUCTION**

2 Prime Hospitals¹ are a collection of eleven community hospitals across
3 California that provide critical, often life-saving medical care to Anthem’s out-of-
4 network members.² When Anthem underpaid for that care, Prime Hospitals invoked
5 Congress’s Independent Dispute Resolution (IDR) process to obtain the reasonable
6 compensation the law provides. Prime Hospitals—like many providers—often
7 prevailed, and those IDR awards are binding. Anthem filed this case to relitigate and
8 unwind those results and to punish Prime Hospitals for using the IDR process
9 successfully. To that end, Anthem asserts state-law claims, including a claim under
10 California’s Unfair Competition Law (UCL).³

11 As explained in Prime Hospitals’ concurrently filed Motion to Dismiss,
12 Anthem’s claims fail as a matter of law. Worse still, Anthem’s state-law theories rest
13 entirely on Prime Hospitals’ constitutionally protected petitioning and speech in
14 connection with the IDR process. Anthem’s objective is apparent: deter Prime
15 Hospitals from pursuing future IDR arbitrations over disputes Anthem claims are
16 ineligible. *See* Compl. ¶ Prayer for Relief. California’s anti-SLAPP statute exists to
17 stop exactly this kind of litigation tactic. Cal. Civ. Proc. Code § 425.16.

18 Prime Hospitals therefore move to strike Anthem’s state law claims under Cal.
19 Civ. Code § 425.16. Those claims arise from protected activity in and leading up to
20 IDR proceedings, and Anthem cannot show any probability of success. Among other
21 defects: (1) this Court lacks subject-matter jurisdiction over the UCL claim, and issue
22 preclusion and Noerr-Pennington independently bar it; (2) California’s litigation
23 privilege forecloses liability based on communications connected to the IDR process;

24
25 ¹ “Prime Hospitals” refers collectively to all eleven Defendants to this action.

26 ² “Anthem” refers collectively to Plaintiffs Anthem Blue Cross Life and
27 Health Insurance Company and Blue Cross of California d/b/a Anthem Blue Cross.

28 ³ Anthem also presents a claim for declaratory and injunctive relief but fails
to say whether it is pleaded under state or federal law. Prime Hospitals assume that
Anthem means to plead this claim under both.

1 (3) because Anthem pleads misrepresentations, it must allege—and cannot—its own
2 reliance to establish UCL standing, particularly where it admits it challenged the
3 alleged misstatements in the IDR proceedings; (4) the Complaint does not plausibly
4 plead any UCL theory; and (5) California law provides no standalone cause of action
5 for declaratory or injunctive relief.

6 For the reasons set forth in the Motion to Dismiss, the Court need not reach
7 this motion: the action should be dismissed for lack of jurisdiction based on the No
8 Surprises Act’s (“NSA”) judicial-review bar. *See Anthem Blue Cross Life & Health*
9 *Ins. v. HaloMD LLC*, 2026 WL 982629, at *11 (C.D. Cal. Apr. 9, 2026) (granting
10 motions to dismiss Anthem’s federal claims, declining supplemental jurisdiction over
11 the state claim, and denying anti-SLAPP motions as moot in “the interest of judicial
12 economy”). But if the Court reaches Anthem’s state law claims, it should strike them
13 under the anti-SLAPP statute and award Prime Hospitals their reasonable attorney’s
14 fees and costs.⁴

15 **II. LEGAL STANDARD**

16 California’s anti-SLAPP statute protects the rights of petition and free speech.
17 Cal. Civ. Code § 425.16(a). Defendants may move to strike baseless claims “arising
18 from any act of that person in furtherance of the person’s right of petition or free
19 speech under the United States Constitution or the California Constitution in
20 connection with a public issue.” *Id.* § 425.16(b)(1). Defendants may raise an anti-
21 SLAPP challenge against state law claims brought in federal court. *Vess v. Ciba-*
22 *Geigy Corp. USA*, 317 F.3d 1097, 1109 (9th Cir. 2003).

23 In federal court, the anti-SLAPP analysis proceeds in two steps. First, the
24 defendant “must make an initial prima facie showing that the plaintiff’s suit arises
25 from an act in furtherance of the defendant’s rights of petition or free speech.” *Id.* at
26 1110 (quotations omitted). The defendant “need not show that the . . . suit was
27

28 ⁴ Prime Hospitals incorporate their Factual Background section from their contemporaneously filed Motion to Dismiss.

1 brought with the intention to chill the [its] speech’ or ‘that any speech was actually
2 chilled.’” *Mindys Cosms., Inc. v. Dakar*, 611 F.3d 590, 595 (9th Cir. 2010) (citation
3 omitted). Once the defendant makes a prima facie showing, “the burden shifts to the
4 plaintiff to demonstrate a probability of prevailing on the challenged claims.” *Vess*,
5 317 F.3d at 1110. When the defendant raises a legal challenge to the sufficiency of
6 the plaintiff’s pleadings, federal courts apply “the Federal Rule of Civil Procedure
7 12(b)(6) standard and consider whether a claim is properly stated.” *Planned*
8 *Parenthood Fed’n of Am., Inc. v. Ctr. for Med. Progress*, 890 F.3d 828, 834 (9th Cir.
9 2018).

10 Rule 12(b)(6) requires dismissal where the allegations, “taken as true, fail to
11 plausibly show a legal violation.” *Election Integrity Project Cal., Inc. v. Weber*, 113
12 F.4th 1072, 1081 (9th Cir. 2024). A court accepts the complaint’s well-pleaded
13 allegations as true, but not “conclusory statements, unreasonable inferences, and
14 legal conclusions couched as factual allegations.” *Id.* (cleaned up). Moreover,
15 because Anthem’s claims all sound in fraud, it must plead its allegations with
16 particularity under Rule 9(b). *In re Finjan Holdings, Inc.*, 58 F.4th 1048, 1057 (9th
17 Cir. 2023); *Vess*, 317 F.3d at 1103 (noting Rule 9(b) applies to state law claims
18 brought in federal court). “[I]f particular averments of fraud are insufficiently pled
19 under Rule 9(b), a district court should ‘disregard’ those averments, or ‘strip’ them
20 from the” allegations before considering whether the plaintiff has stated a claim.
21 *Vess*, 317 F.3d at 1105.

22 **III. ARGUMENT**

23 The Court should strike Anthem’s claim under California’s Unfair
24 Competition Law (Count I) and claim for declaratory and injunctive relief (Count
25 IV), to the extent the latter is pleaded under state law. Anthem’s theories target Prime
26 Hospitals’ petitioning activity in the federal IDR arbitration process, which are
27 precisely the kinds of claims the anti-SLAPP statute is designed to preclude. And
28 Anthem cannot carry its burden to show that it has sufficiently alleged these claims

1 under the Rules 12(b)(6) and 9(b) standards.

2 **A. Anthem’s State Law Claims Arise Out Of Prime Hospitals’**
3 **Protected Activities.**

4 To satisfy the first prong of the anti-SLAPP analysis, the defendant need only
5 make “an initial prima facie showing” that the plaintiff bases its claims on the
6 defendant’s protected petitioning or free speech activity. *Vess*, 317 F.3d at 1110
7 (citation omitted). That showing is easily made here. Protected activity includes
8 “any written or oral statement or writing made before a legislative, executive, or
9 judicial proceeding, or any other official proceeding authorized by law[.]” Cal. Civ.
10 Proc. Code § 425.16(e)(1). Claims resting on “both protected and unprotected
11 activity” fall under the statute “unless the protected conduct is ‘merely incidental’ to
12 the unprotected conduct.” *Philipson & Simon v. Gulsvig*, 154 Cal. App. 4th 347,
13 358–59 (2007) (citation omitted).

14 Anthem bases its state law claims on Prime Hospitals’ conduct in and leading
15 up to IDR proceedings. *See* Compl. ¶¶ 5–7. According to Anthem, the core conduct
16 giving rise to its UCL claim involves Prime Hospitals “initiating thousands of
17 knowingly ineligible IDR proceedings” through “false statements, representations,
18 and attestations regarding eligibility for IDR under the NSA[.]” *Id.* ¶ 90. Anthem
19 also accuses Prime Hospitals of failing to properly initiate open negotiations under
20 the IDR framework—an action required by and integral to the IDR process. *Id.* ¶ 250.
21 To the extent Anthem asserts its claim for declaratory and injunctive relief under state
22 law, that claim too relies on Prime Hospitals’ conduct in the IDR proceedings. *Id.*
23 ¶ 269 (seeking a declaration that Prime Hospitals’ alleged conduct of “submitting
24 false attestations and initiating IDR for disputes not eligible for the IDR process . . . is
25 unlawful”). Moreover, Anthem acknowledges that the IDR proceedings in which
26 Prime Hospitals engage in these activities take place pursuant to federal authority.
27 *See id.* ¶ 53 (“Centers for Medicare & Medicaid Services . . . is primarily charged
28 with implementing the IDR process[.]”); *id.* ¶ 98 (noting that IDR submissions go to

1 the Department of Health & Human Services).

2 The anti-SLAPP statute covers IDR proceedings. To start, IDR proceedings
3 are “statutorily mandated as part of a regulatory scheme.” *Mission Beverage Co. v.*
4 *Pabst Brewing Co.*, 15 Cal. App. 5th 686, 703 (2017) (citation omitted); *see* 42
5 U.S.C. § 300gg-111(c). Under the NSA framework, both providers and insurers give
6 up any “right to resolve [their payment] dispute in a court of law.” *Mallard v.*
7 *Progressive Choice Ins.*, 188 Cal. App. 4th 531, 541–42 (2010). Rather, their only
8 recourse is an IDR proceeding, where an independent dispute resolution entity
9 (“IDRE”) serves as the decisionmaker and the results are binding. *See* Compl. ¶ 46
10 (“[T]he NSA created a separate framework for health plans and providers to resolve
11 specific types of eligible surprise billing disputes.”). Thus, anti-SLAPP protections
12 that apply to litigation also apply to IDR proceedings that replace litigation. *See*
13 *Mallard*, 188 Cal. App. 4th at 541–42 (holding that a “statutorily required”
14 alternative dispute resolution process receives anti-SLAPP protection).

15 Moreover, IDR proceedings are a congressionally-established “administrative
16 enforcement mechanism” under which IDREs exercise delegated federal authority.
17 *Guardian Flight, L.L.C. v. Health Care Serv. Corp.*, 140 F.4th 271, 277 (5th Cir.
18 2025). Proceedings before such “quasi-public” entities receive anti-SLAPP
19 protection because they involve the exercise of delegated government authority.
20 *Dean v. Kaiser Found. Health Plan, Inc.*, 562 F. Supp. 3d 928, 933–34 (C.D. Cal.
21 2022) (holding arbitration before “quasi-public organization” qualifies as an “official
22 proceeding authorized by law” because the organization received delegated authority
23 from the U.S. Department of Commerce); *see Kibler v. N. Inyo Cnty. Loc. Hosp.*
24 *Dist.*, 39 Cal. 4th 192, 199–200 (2006) (hospital peer review qualifies as “official
25 proceeding authorized by law” where peer review is statutorily required and reported
26 to state medical board).

27 Indeed, federal authority permeates the entire IDR system. The IDR process
28 is codified in statute and “establish[ed] by regulation.” 42 U.S.C. § 300gg-

1 111(c)(2)(A). IDR arbitrations commence with a submission to the Department of
2 Health and Human Services (“HHS”). *Id.* § 300gg-111(c)(1)(B); *see* Compl. ¶ 98.
3 Once selected, IDREs then use their delegated government authority to resolve the
4 dispute. 42 U.S.C. § 300gg-111(c)(2)(A) (“[A] certified [IDRE] determines . . . the
5 amount of payment under the plan or coverage for such item or service[.]”); *see*
6 *Avraham Plastic Surgery LLC v. Aetna, Inc.*, 2025 WL 3779084, at *4 (E.D.N.Y.
7 Dec. 30, 2025) (noting IDREs are “functionally akin to judges”). IDREs are certified
8 jointly by HHS, the Department of Labor, and the Department of the Treasury,
9 subject to ongoing agency oversight, and required to provide regular reporting to the
10 government. *See* 42 U.S.C. § 300gg-111(c)(4); 45 C.F.R. § 149.510(f). After the
11 IDRE rules, HHS and Centers for Medicaid and Medicare Services (“CMS”) retain
12 oversight powers and may “assess penalties against insurers for failure to comply
13 with the NSA” and “compel[] payors to pay IDR awards[.]” *Guardian Flight*, 140
14 F.4th at 277.

15 Anthem’s fraud allegations cannot render the activity unprotected. Protected
16 activity remains protected even if the plaintiff alleges the activity involved fraud.
17 *Kashian v. Harriman*, 98 Cal. App. 4th 892, 910–11 (2002) (“[C]onduct that would
18 otherwise come within the scope of the anti-SLAPP statute does not lose its
19 coverage . . . simply because it is *alleged* to have been unlawful or unethical.”
20 (emphasis original)); *see also San Diegans for Open Gov’t v. San Diego State Univ.*
21 *Rsch. Found.*, 13 Cal. App. 5th 76, 106 (2017) (“The mere fact the plaintiff alleges
22 the defendant engaged in unlawful conduct does not cause the conduct to lose its
23 protection under the anti-SLAPP statute.”).

24 **B. Anthem Has Not Particularly Alleged a UCL Violation (Count I).**

25 With the first prong established, the burden shifts to Anthem under the second
26 prong to show that it has sufficiently alleged its state law claims. *Vess*, 317 F.3d at
27 1110. Because Anthem’s UCL allegations sound in fraud, it must plead this claim
28 with particularity under Rule 9(b). *Kearns v. Ford Motor Co.*, 567 F.3d 1120, 1125

1 (9th Cir. 2009). Anthem has not.

2 **1. Anthem’s UCL claim fails for the reasons outlined in Prime**
3 **Hospitals’ Motion to Dismiss.**

4 UCL plaintiffs cannot “plead around an absolute bar to relief simply by
5 recasting the cause of action as one for unfair competition.” *Chabner v. United of*
6 *Omaha Life Ins.*, 225 F.3d 1042, 1048 (9th Cir. 2000) (citation omitted). As
7 discussed in Prime Hospitals’ Motion to Dismiss, Motion to Dismiss at 9–12,
8 Congress has erected a near-total bar to relief: “A determination of a certified IDR
9 entity . . . **shall not be subject to judicial review**, except in a case” that would allow
10 a court to vacate the award under the Federal Arbitration Act. 42 U.S.C. § 300gg-
11 111(c)(5)(E)(i) (emphases added); *see* 9 U.S.C. § 10(a)(1)–(4). Federal law bars
12 Anthem from collaterally attacking the IDREs’ binding eligibility determinations,
13 and Anthem has failed to allege a claim for relief under its only potential path to
14 judicial review—vacatur. *See HaloMD*, 2026 WL 982629, at *2 (“[A]side from
15 vacatur authorized by 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II), the NSA precludes
16 judicial review of IDR determinations, regardless of the legal theory under which
17 judicial review is sought.”). Anthem cannot artfully “plead around” this “absolute
18 bar to relief . . . by recasting” its IDR losses into a sprawling UCL claim. *Chabner*,
19 225 F.3d at 1048.

20 Issue preclusion similarly bars Anthem’s UCL claim, which seeks to relitigate
21 settled eligibility determinations. Motion to Dismiss at 16–17; *see Aftandilian v.*
22 *Wells Fargo Bank, N.A.*, 786 F. App’x 696 (9th Cir. 2019) (mem.) (affirming
23 dismissal of UCL claim based on preclusion). Noerr-Pennington does too. Motion
24 to Dismiss at 15–16; *see People ex rel. Gallegos v. Pac. Lumber Co.*, 158 Cal. App.
25 4th 950, 964 (2008) (applying Noerr-Pennington to UCL claim predicated on
26 petitioning activities).

1 **2. California’s statutory litigation privilege bars Anthem’s UCL**
2 **claim.**

3 California’s litigation privilege, found in California Civil Code § 47, broadly
4 prevents litigants from basing civil liability on communications in and around official
5 proceedings. *People v. Potter Handy, LLP*, 97 Cal. App. 5th 938, 944–45 (2023).
6 The privilege applies to “any communication (1) made in judicial or quasi-judicial
7 proceedings; (2) by litigants or other participants authorized by law; (3) to achieve
8 the objects of the litigation; and (4) that have some connection or logical relation to
9 the action.” *Silberg v. Anderson*, 50 Cal. 3d 205, 212 (1990). This expansive
10 protection applies “regardless of malice.” *Komarova v. Nat’l Credit Acceptance,*
11 *Inc.*, 175 Cal. App. 4th 324, 336 (2009). Courts “resolve ‘[a]ny doubt about whether
12 the [litigation] privilege applies . . . in favor of applying it.’” *Gallegos*, 158 Cal. App.
13 4th at 963 (citation omitted). “The breadth of the litigation privilege cannot be
14 understated.” *Olsen v. Harbison*, 191 Cal. App. 4th 325, 333 (2010).

15 The litigation privilege bars Anthem’s UCL claim. The privilege protects “all
16 kinds of truth-seeking proceedings including administrative, legislative and other
17 official proceedings.” *McNair v. City & Cnty. of San Francisco*, 5 Cal. App. 5th
18 1154, 1163 (2016) (cleaned up). The California Supreme Court has extended the
19 privilege to cover alternative dispute resolution procedures “designed to serve a
20 function analogous to—and [] to eliminate the need to resort to—the court system.”
21 *Moore v. Conliffe*, 7 Cal. 4th 634, 640–44 (1994). Even informal alternative
22 proceedings can receive protection. *See Lambert v. Carneghi*, 158 Cal. App. 4th
23 1120, 1130, 1137 (2008) (applying litigation privilege to appraisal procedure without
24 required “discovery, testimony, [or] briefing”).

25 California’s litigation privilege covers IDR arbitrations. *See Nickoloff v.*
26 *Wolpoff & Abramson, L.L.P.*, 511 F. Supp. 2d 1043, 1045 (C.D. Cal. 2007) (“[T]he
27 litigation privilege . . . is applicable to any communication made during an
28 arbitration proceeding.”); *Rasidescu v. Midland Credit Mgmt., Inc.*, 496 F. Supp. 2d

1 1155, 1160 (S.D. Cal. July 26, 2007) (“The privilege applies to all arbitration
2 proceedings because of the analogy to a judicial proceeding.”). Rather than
3 “throwing open the floodgates of litigation[,]” Congress created IDR as an alternative
4 “administrative enforcement mechanism[.]” *Guardian Flight*, 140 F.4th at 277.
5 Thus, Congress established the IDR procedure “to serve a function analogous to—
6 and [] eliminate the need to resort to—the court system.” *Moore*, 7 Cal. 4th at 643.
7 Applying the privilege here “affords [parties] ‘the utmost freedom of access to
8 [Congress’s IDR procedure] without fear of being harassed subsequently by
9 derivative tort actions.’” *Potter Handy*, 97 Cal. App. 5th at 945 (citation omitted).
10 It does not matter that Congress structured IDR proceedings without “discovery,
11 testimony, [or] briefing[.]” *Lambert*, 158 Cal. App. 4th at 1130.

12 The other elements for the privilege’s application are also present. All agree
13 Prime Hospitals made eligibility attestations as “participants authorized by law” to
14 “achieve the objects” of the IDR proceedings, and these attestations have an obvious
15 “connection . . . to the action.” *Silberg*, 50 Cal. 3d at 212; *see* Compl. ¶¶ 2, 5.

16 As a result, the litigation privilege forecloses Anthem’s UCL claim based on
17 Prime Hospitals’ protected communications—alleged “false attestations of
18 eligibility” made to IDREs. Compl. ¶ 97. To illustrate, consider the California Court
19 of Appeal decision in *Potter Handy*. There, the court confronted a UCL claim
20 predicated on the defendant’s filing of complaints in federal court containing false
21 standing allegations. 97 Cal. App. 5th at 944, 948. The court held that
22 misrepresentations used to initiate federal proceedings “constitute communications
23 falling within the broad reach of the [litigation] privilege” and so receive “absolute
24 protection[.]” *Id.* at 948. As a result, the court affirmed the lower court’s dismissal
25 of the UCL claim. *Id.* at 945. Similarly, Anthem predicates its UCL claim on Prime
26 Hospitals’ communications used to initiate federal IDR proceedings. As in *Potter*
27 *Handy*, this Court should apply the litigation privilege to bar Anthem’s claim.

28

1 **3. Anthem does not and cannot allege actual reliance and thus**
2 **lacks UCL standing.**

3 Plaintiffs must have statutory standing to sue under the UCL. *Zhang v.*
4 *Superior Ct.*, 57 Cal. 4th 364, 371–72 (2013). When basing a UCL claim on
5 misrepresentations or omissions, standing demands “actual reliance on the allegedly
6 deceptive or misleading statements, in accordance with well-settled principles
7 regarding the element of reliance in ordinary fraud actions.” *Kwikset Corp. v.*
8 *Superior Ct.*, 51 Cal. 4th 310, 326–27 (2011) (citation omitted). This requirement
9 applies no matter the type of UCL theory—unlawful, unfair, or fraudulent, *infra* Part
10 III.B.4—so long as the underlying wrongdoings comprise misrepresentations or
11 omissions. *Durell v. Sharp Healthcare*, 183 Cal. App. 4th 1350, 1363–64 (2010);
12 *see Kachuck Enters. v. Mission Produce, Inc.*, 2026 WL 216475, at *4 (C.D. Cal.
13 Jan. 22, 2026). Moreover, plaintiffs in federal court must plead actual reliance with
14 particularity under Rule 9(b). *Williams v. Apple, Inc.*, 449 F. Supp. 3d 892, 914 (N.D.
15 Cal. 2020).

16 “To establish actual reliance, the plaintiff must allege that ‘the defendant’s
17 misrepresentation or nondisclosure was an immediate cause of the plaintiff’s injury-
18 producing conduct.’” *Id.* at 912 (citation omitted). In other words, a plaintiff must
19 personally rely to his detriment on the defendant’s alleged misrepresentation or
20 omission. *See, e.g., Nifty Techs., Inc. v. Mango Techs., Inc.*, 2025 WL 1826430, at
21 *11–13 (S.D. Cal. July 1, 2025); *Cisco Sys., Inc. v. Dexon Computer, Inc.*, 2021 WL
22 5848080, at *6–7 (N.D. Cal. Dec. 9, 2021). Plaintiffs normally cannot base UCL
23 standing on someone else’s reliance—even if that person’s reliance caused harm to
24 the plaintiff. *See Nifty Techs.*, 2025 WL 1826430, at *11–13.

25 Anthem purports to bring a UCL claim for unlawful, unfair, and fraudulent
26 conduct. *See* Compl. ¶¶ 246–53. Each of Anthem’s UCL theories centers on Prime
27 Hospitals’ alleged eligibility misrepresentations to IDREs. *See id.* ¶¶ 2, 98, 246–53.
28 As a result, Anthem must “sufficiently allege actual reliance” to have standing to

1 proceed on any UCL theory. *Kachuck Enters.*, 2026 WL 216475, at *4.

2 Anthem has not pleaded actual reliance under its “well-settled” and “ordinary”
3 principles. *Kwikset Corp.*, 51 Cal. 4th at 326–27 (citation omitted). Anthem admits
4 it knew the truth regarding Prime Hospitals’ alleged misrepresentations all along (i.e.,
5 that the alleged false eligibility attestations concerned what Anthem believed were
6 ineligible disputes) and disputed them in real time. Compl. ¶ 96; *see, e.g., id.* ¶¶ 123–
7 245. Because Anthem “did not actually believe” Prime Hospitals’ eligibility
8 attestations, there “can be no actual reliance on” them. *Morizur v. Seaworld Parks*
9 *& Ent., Inc.*, 2020 WL 6044043, at *16 (N.D. Cal. Oct. 13, 2020); *see Reach Air*
10 *Med. Servs. v. Kaiser Found. Health Plan*, 160 F.4th 1110, 1122 (11th Cir. 2025)
11 (finding plaintiff could not be misled in an IDR proceeding because plaintiff knew
12 the truth).

13 Nor has Anthem alleged **that Anthem** took any action to its detriment in
14 reliance on Prime Hospitals’ alleged misrepresentations. *See Conrad v. Bank of Am.*,
15 45 Cal. App. 4th 133, 157 (1996). Rather, Anthem asserts it was “compelled” into
16 IDR arbitrations against its will. Compl. ¶ 249. There is no actual reliance “if the
17 plaintiff would have been legally obliged to follow the same course regardless of
18 what the defendant said” to them. Restatement (Third) of Torts § 11. Even assuming,
19 as Anthem alleges, **that IDREs** relied on Prime Hospitals’ alleged
20 misrepresentations, Compl. ¶ 252, it is well settled that Anthem cannot base its own
21 UCL standing on a third-party’s reliance that harmed Anthem. *See Mosafer Inc. v.*
22 *Broidy*, 2022 WL 793029, at *6 (C.D. Cal. Feb. 4, 2022) (holding the public’s
23 supposed reliance on misrepresentations broadcast by the United Arab Emirates
24 against Qatar did not support UCL standing); *Ouiby Inc. v. Posey*, 2018 WL 732493,
25 at *5 (N.D. Cal. Feb. 6, 2018) (dismissing fraud and UCL claims for failure to plead
26 actual reliance where defendants made misrepresentations to investors); *Jent v. N.*
27 *Trust Corp.*, 2013 WL 5806024, *3–4 (E.D. Cal. Oct. 28, 2013) (finding third-party
28 reliance by financial institutions which declined plaintiff credit did not support UCL

1 standing). Fraud allegations “fail[] if the plaintiff suffered harm as a result of the
2 defendant’s fraud but without relying on it.” Restatement (Third) of Torts § 11.

3 Anthem also cannot base standing on Prime Hospitals’ supposedly deficient
4 open negotiations notices. *See* Compl. ¶ 250. Here, Anthem does not dispute
5 receiving the notices, but complains that they were “legally insufficient” because
6 they were sent through Prime Hospitals’ allegedly “cumbersome” portal, which
7 Anthem claims “was designed to deprive Anthem of the ability to respond to
8 ineligible disputes.” *Id.* ¶¶ 7, 250. Elsewhere, however, Anthem concedes that it
9 was not so deprived, and in fact responded to the notices by challenging eligibility.
10 *See, e.g., id.* ¶¶ 125–26, 133–34, 140–41. At best, this assertion of “legally
11 insufficient notice” alleges an “omission,” for which the plaintiff must still plead
12 actual reliance to have standing. *Backhaut v. Apple, Inc.*, 74 F. Supp. 3d 1033, 1047
13 (N.D. Cal. 2014) (“[A] plaintiff must have actually relied on the misrepresentation
14 or omission, and suffered economic injury as a result of that reliance, to have standing
15 to sue.”). Anthem never alleges that anyone—not Anthem, not IDREs, and not
16 government agencies—took an action in detrimental reliance on Prime Hospital’s use
17 of an open negotiations “portal” that Anthem did not find user friendly.

18 **4. Anthem otherwise fails to particularly allege the elements of**
19 **a UCL claim.**

20 UCL claims target three types of improper conduct: unlawful, unfair, and
21 fraudulent. *A.B. by & Through Turner v. Google LLC*, 737 F. Supp. 3d 869, 881
22 (N.D. Cal. 2024). Anthem shoots for all three. Compl. ¶ 247. But its “kitchen sink”
23 approach fails to piece together a viable UCL claim.

24 ***Not unlawful.*** For the UCL’s unlawful prong, the plaintiff must sufficiently
25 allege the defendant’s conduct violated another law. *Graham v. Bank of Am., N.A.*,
26 226 Cal. App. 4th 594, 610 (2014). Anthem offers three candidates, none of which
27 work.

28 First, Anthem alleges Prime Hospitals violated California Penal Code § 550

1 by submitting fraudulent “claims.” Compl. ¶ 250. Section 550 “prohibits the
2 knowing submission of false claims to insurers.” *United States v. Univ. of S. Cal.*,
3 2023 WL 2682298, at *8 (C.D. Cal. Feb. 9, 2023). Critically, Anthem does not—
4 and cannot—accuse Prime Hospitals of falsifying any insurance “claims” submitted
5 to Anthem. Rather, Anthem alleges Prime Hospitals initiated IDR proceedings for
6 ineligible disputes, which are not “claims to [an] insurer” within the meaning of
7 § 550. *Id.* Indeed, Prime Hospitals did not commence IDR proceedings until well
8 after their underlying claims had been submitted to (and underpaid by) Anthem, and
9 Anthem notably does not allege that those claims were for anything but services
10 Prime Hospitals actually provided to Anthem’s insureds. IDR disputes, in contrast,
11 represent Prime Hospitals’ means of recourse **after** Anthem has already underpaid
12 on a claim. Anthem seemingly agrees, acknowledging the distinction in its pleading.
13 *See* Compl. at 8 (describing “Health Care Claims and IDR Proceedings” as separate
14 processes).⁵

15 Second, Anthem tries to contort its allegations into a violation of 18 U.S.C.
16 § 1347, a criminal health care fraud statute. Compl. ¶ 250. For this claim, Anthem
17 must particularly allege that Prime Hospitals “defraud[ed]” a “healthcare benefit
18 program.” 18 U.S.C. § 1347. Courts interpret § 1347 to incorporate the traditional
19 principles of common-law fraud. *United States v. Elfenbein*, 144 F.4th 551, 560 (4th
20 Cir. 2025); *United States v. Jones*, 471 F.3d 478, 481 (3d Cir. 2006). As a result,
21 § 1347 requires a showing that the defendant made a “material” misrepresentation or
22 omission. *Elfenbein*, 144 F.4th at 560; *United States v. Clay*, 162 F.4th 757, 766–67
23

24 ⁵ Even if there were doubt regarding whether IDR submissions qualify as
25 “claims,” the canon of constitutional avoidance counsels against interpreting the
26 word “claims” in a way that would chill Prime Hospitals’ First Amendment right to
27 petition. *See In re Friend*, 11 Cal. 5th 720, 734 (2021) (“[I]f a statute is susceptible
28 of two constructions, one of which will render it constitutional and the other [which
would] raise serious and doubtful constitutional questions, the court will adopt the
construction which [will] render it . . . free from doubt as to its constitutionality[.]”
(citation omitted)). As discussed, initiating IDR proceedings falls within the scope
of the First Amendment right to petition the government. *Supra* Part III.B.2.

1 (6th Cir. 2025) (per curiam). “Under any understanding of the concept, materiality
2 ‘look[s] to the effect on the likely or actual behavior of the recipient of the alleged
3 misrepresentation.’” *Universal Health Servs., Inc. v. United States*, 579 U.S. 176,
4 193 (2016) (citation omitted).

5 Anthem again stumbles over basic fraud principles. Anthem is the only
6 “healthcare benefit program” involved in these IDR proceedings; the IDREs do not
7 fit the definition.⁶ But Anthem cannot show that it was defrauded, because Anthem
8 cannot as a matter of law reasonably rely on misrepresentations it knew to be false.
9 *Supra* Part III.B.3. Even if Anthem could base its claim on IDREs’ reliance, Anthem
10 cannot demonstrate that Prime Hospitals’ alleged eligibility misrepresentations were
11 material to IDREs’ “actual behavior[,]” as IDREs not infrequently found in Anthem’s
12 favor regarding eligibility. *Universal Health*, 579 U.S. at 193; *see* Compl. ¶ 94.

13 Third, Anthem argues that Prime Hospitals’ alleged fraud scheme violated the
14 NSA and its regulations in various ways. Compl. ¶ 250. Anthem claims Prime
15 Hospitals’ scheme violates the NSA by (1) failing to provide sufficient open
16 negotiations notice and (2) allegedly falsely attesting to eligibility when initiating
17 IDR proceedings and receiving awards for those ineligible disputes. *Id.* But these
18 sweeping fraud allegations fall well short of Rule 9(b)’s heightened standard.

19 To start, Anthem has not particularly alleged a compensable harm under the
20 UCL “as a result of” Prime Hospitals’ supposedly inadequate open negotiations
21 notices. Cal. Bus. & Prof. Code § 17204; *see Daniel v. Ford Motor Co.*, 806 F.3d
22 1217, 1225 (9th Cir. 2015) (“To prove reliance on an omission, a plaintiff must show
23 that the defendant’s nondisclosure was an immediate cause of the plaintiff’s injury-
24 producing conduct.”). Rather, Anthem defeats any such inference by alleging that
25

26 ⁶ “Healthcare benefit program” refers to “any public or private plan or contract,
27 affecting commerce, under which any medical benefit, item, or service is provided to
28 any individual, and includes any individual or entity who is providing a medical
benefit, item, or service for which payment may be made under the plan or contract.”
18 U.S.C. § 24(b).

1 Prime Hospitals always seek 80% of their billed charges, regardless of whether open
2 negotiations took place. Compl. ¶ 5.

3 Anthem has also failed to carry its burden to particularly allege that Prime
4 Hospitals engaged in a fraudulent scheme to submit ineligible disputes. Anthem
5 concedes, as it must, that neutral, jointly-selected IDREs often **rejected** Anthem’s
6 eligibility objections and proof documents and agreed with Prime Hospitals that
7 disputes **were** eligible. *See, e.g., id.* ¶¶ 128–30, 136–37, 143–46. Anthem’s
8 generalized claim that IDREs undertake only a “cursory review” of eligibility based
9 on “one-sided information[,]” *id.* ¶ 75, is belied by its admission that disputes often
10 terminate on eligibility grounds, *id.* ¶ 94. It is also contradicted by CMS guidance,
11 which requires IDREs to assess the eligibility information in every case.⁷ While
12 Anthem alleges examples where it nonetheless believes IDREs got eligibility wrong,
13 this hardly carries Anthem’s burden to show that Prime Hospitals hatched some
14 sprawling scheme to violate the NSA by “overwhelm[ing] the IDR system” with
15 ineligible disputes, particularly given that Prime Hospitals only ever attested to
16 eligibility “to the best of [their] knowledge.” *Id.* ¶¶ 66, 96.

17 Anthem falsely paints eligibility assessments as cut and dry, but they are not.
18 Rather, CMS acknowledges they are “complex” and require “considerable time and
19 resources”—even for IDREs who have the benefit of both sides’ positions.⁸ What is
20

21 _____
22 ⁷ “The certified IDR entity must determine whether the Federal IDR Process
23 is applicable. The certified IDR entity must review the information submitted in the
24 Notice of IDR Initiation and the notification from the non-initiating party claiming
25 the Federal IDR Process is inapplicable, if one has been submitted, to determine
26 whether the Federal IDR Process applies.” Exhibit A, HHS et al., *Federal*
27 *Independent Dispute Resolution (IDR) Process Guidance for Disputing Parties 16*
(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); *see* Exhibit B, HHS et al., *Federal Independent Dispute Resolution (IDR) Process Guidance for Disputing Parties 17* (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).

28 ⁸ Exhibit D, Supplemental Background on Federal Independent Dispute Resolution Public Use Files, January 1, 2025 – June 30, 2025, at 3,

1 difficult for IDREs is even harder for medical providers, who often lack the full
2 picture regarding the patient’s out-of-network medical plan. Given the asymmetries
3 of information, medical providers often must initiate disputes based on incomplete
4 information, hence why initiating parties are only ever required to attest to the “best
5 of [their] knowledge.” *Id.* ¶ 66. All of this is baked into the process Congress
6 designed and the agencies have implemented, which requires IDREs to adjudicate
7 eligibility whenever it is contested. So even if the IDRE later deems a dispute
8 ineligible, this in no way demonstrates that the medical provider committed
9 intentional fraud by submitting it.

10 ***Not unfair.*** Anthem next argues—in one sentence—that Prime Hospitals’
11 actions violate the UCL’s unfairness prong because they are “immoral, unethical,
12 oppressive, and unscrupulous.” *Id.* ¶ 251. But this merely parrots the legal standard.
13 *Doe v. CVS Pharmacy, Inc.*, 982 F.3d 1204, 1214–15 (9th Cir. 2020) (describing the
14 standard). The Court must disregard this unadorned and conclusory restatement of
15 the legal standard. *Weber*, 113 F.4th at 1081.

16 When a plaintiff alleges immoral behavior, this prong “requires the court to
17 weigh the utility of the defendant’s conduct against the gravity of the harm to the
18 alleged victim[.]” *Bardin v. DaimlerChrysler Corp.*, 136 Cal. App. 4th 1255, 1260
19 (2006). Here, there is no debate that Prime Hospitals provided emergency medical
20 services to Anthem’s insureds. Anthem then underpaid Prime Hospitals for those
21 services, forcing Prime Hospitals to appeal to the congressional-created and -
22 mandated IDR procedure. And as Anthem admits, Prime Hospitals **always** offered
23 to compromise by taking a 20% discount on its original billed charge, Compl. ¶ 5,
24 offers which IDREs regularly found more reasonable than Anthem’s competing
25 proposals. *See, e.g., id.* ¶¶ 133, 137, 187. Against this backdrop, Anthem has failed
26 to state a claim that Prime Hospitals acted unfairly. *See Nazemi v. Specialized Loan*

27 _____
28 <https://www.cms.gov/files/document/federal-idr-supplemental-background-2025-q1-2025-q2.pdf>.

1 *Servicing, LLC*, 637 F. Supp. 3d 856, 864 (C.D. Cal. 2022) (dismissing UCL
2 unfairness claim for the complaint’s failure to allege how the impact on the victim
3 outweighed the motives of the alleged wrongdoer). Indeed, if any conduct here
4 qualifies as “unfair,” it is Anthem’s systematic underpayments, not Prime Hospitals’
5 use of congressionally-mandated dispute resolution.

6 Anthem also laments—again in a single sentence—that Prime Hospitals have
7 “disrupt[ed]” the insurance market and harmed downstream customers, Compl.
8 ¶ 251, seemingly suggesting that Prime Hospitals have “violate[d] the policy or spirit
9 of an antitrust law[,]” *CVS*, 982 F.3d at 1214. If Anthem actually believed that, it
10 could have attempted to plead an antitrust-based UCL violation under the unlawful
11 prong, but notably it has not. Regardless, common sense defeats any suggestion that
12 Prime Hospitals distorted the insurance market by initiating some thirteen disputes
13 per day on average, *see* Compl. ¶ 120, when the system received over two million
14 disputes in 2025 alone, *id.* ¶ 83. However Anthem chooses to characterize them,
15 Anthem’s grumblings about eleven Prime Hospitals collectively submitting
16 approximately 0.24% of all 2025 disputes comes nowhere near meeting the UCL
17 unfairness standard.

18 ***Not fraudulent.*** Last, Anthem purports to pursue a UCL theory that Prime
19 Hospitals’ conduct is fraudulent. *Id.* ¶ 252. For the reasons already discussed, this
20 claim cannot succeed. But beyond the defects catalogued above, this prong of the
21 UCL requires a showing that “‘members of the public are likely to be deceived’ by
22 the challenged conduct[.]” *Bardin*, 136 Cal. App. 4th at 1261 (emphasis added)
23 (citation omitted). Anthem nowhere alleges—let alone with particularly—that Prime
24 Hospitals have deceived or will deceive members of the public with their submissions
25 to the IDR arbitration procedure.

26 **C. Anthem Has No Cause Of Action For Declaratory Or Injunctive**
27 **Relief Under California Law (Count IV).**

28 Anthem does not state whether it brings Count IV under federal or state law.

1 California has no standalone cause of action for declaratory and injunctive relief.
2 *Faunce v. Cate*, 222 Cal. App. 4th 166, 173 (2013) (“[I]njunctive and declaratory
3 relief are equitable remedies, not causes of action.”). Once the Court dismisses
4 Anthem’s substantive claims, it should dismiss this “claim” too. *Kimball v. Flagstar*
5 *Bank F.S.B.*, 881 F. Supp. 2d 1209, 1219–20 (S.D. Cal. 2012).

6 **D. The Court Should Award Prime Hospitals Its Reasonable**
7 **Attorney’s Fees And Costs.**

8 Under California’s anti-SLAPP statute, “a prevailing defendant on a special
9 motion to strike shall be entitled to recover that defendant’s attorney’s fees and
10 costs.” Cal. Civ. Proc. Code § 425.16(c)(1). The award is mandatory. *Kearney v.*
11 *Foley & Lardner*, 553 F. Supp. 2d 1178, 1184 (S.D. Cal. 2008). Following this
12 statutory directive, federal courts award attorney’s fees and costs for time spent
13 challenging state law claims in a special motion to strike. *Manufactured Home*
14 *Cmtys. v. County of San Diego*, 655 F.3d 1171, 1181 (9th Cir. 2011).

15 **IV. CONCLUSION**

16 For all of these reasons, and because Anthem’s state law theories are an
17 impermissible attempt to punish and deter Prime Hospitals’ protected petitioning
18 activity in connection with the federal IDR process, this Court should grant Prime
19 Hospitals’ special motion to strike, strike Anthem’s California state-law claims
20 (Count I and Count IV to the extent pleaded under state law), and award Prime
21 Hospitals their reasonable attorney’s fees and costs as required by Cal. Civ. Proc.
22 Code § 425.16(c)(1).

23
24
25
26
27
28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Dated: April 27, 2026

JONES DAY

By: /s/ David M. DeVito

David M. DeVito
James L. Poth
B. Kurt Copper (*pro hac vice*)
Nicholas J. Rawls

Attorneys for Defendants
PRIME HEALTHCARE SERVICES –
ST. FRANCIS, LLC; CHINO VALLEY
MEDICAL CENTER AUXILIARY;
PRIME HEALTHCARE SERVICES –
ENCINO HOSPITAL, LLC; PRIME
HEALTHCARE SERVICES –GARDEN
GROVE, LLC; PRIME HEALTHCARE
HUNTINGTON BEACH, LLC; PRIME
HEALTHCARE LA PALMA, LLC;
PRIME HEALTHCARE SERVICES –
MONTCLAIR, LLC; PRIME
HEALTHCARE PARADISE VALLEY,
LLC; PRIME HEALTHCARE
SERVICES - SHASTA, LLC; PRIME
HEALTHCARE SERVICES –
SHERMAN OAKS, LLC; AND PRIME
HEALTHCARE ANAHEIM, LLC

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CERTIFICATE OF COMPLIANCE

The undersigned, counsel of record for the Defendants, certifies that this brief contains 5,877 words, which complies with the word limit of L.R. 11-6.1.

Dated: April 27, 2026

JONES DAY

By: /s/ David M. DeVito

David M. DeVito
James L. Poth
B. Kurt Copper (*pro hac vice*)
Nicholas J. Rawls

Attorneys for Defendants
PRIME HEALTHCARE SERVICES –
ST. FRANCIS, LLC; CHINO VALLEY
MEDICAL CENTER AUXILIARY;
PRIME HEALTHCARE SERVICES –
ENCINO HOSPITAL, LLC; PRIME
HEALTHCARE SERVICES –
GARDEN GROVE, LLC; PRIME
HEALTHCARE
HUNTINGTON BEACH, LLC; PRIME
HEALTHCARE LA PALMA, LLC;
PRIME HEALTHCARE SERVICES –
MONTCLAIR, LLC; PRIME
HEALTHCARE PARADISE VALLEY,
LLC; PRIME HEALTHCARE
SERVICES - SHASTA, LLC; PRIME
HEALTHCARE SERVICES –
SHERMAN OAKS, LLC; AND PRIME
HEALTHCARE ANAHEIM, LLC