

While it may be that many cases in this Court proceed to discovery while a motion to dismiss is pending, that does not mean that *all* cases do. *This* case involves two issues—a lack of subject-matter jurisdiction and a failure to comply with Rule 9(b)—that generally bar a plaintiff from proceeding to discovery in the Fifth Circuit. *See, e.g., U.S. ex rel. Grubbs v. Kanneganti*, 565 F.3d 180, 185–86 (5th Cir. 2009); *Smith v. Potter*, 400 F. App’x 806, 813 (5th Cir.2010); *Caroselli v. Serv. First Mortg. Co.*, 2025 WL 2161427, at *1 (E.D. Tex. July 30, 2025); *see Hansel v. Hemby, et al.*, No. 4:25-cv-504, Dkt. 100 (E.D. Tex. Aug. 20, 2025) (granting motion to stay discovery pending motions to dismiss for lack of subject-matter jurisdiction, failure to state a claim, and qualified immunity) (Baxter, J.).

And the basis for the instant motion just became even stronger. *First*, two days after filing its opposition to this motion, HCSC indicated that it will be filing an amended complaint rather than responding to the pending motion to dismiss. *See* Decl. of M. Knowles, Ex. 3, at 2. Discovery should not proceed on a moving target—particularly where neither the Court nor the Defendants have notice of what HCSC intends to add or change, and where discovery now risks duplication and unnecessary expense. Likewise, where it will attempt to fix its complaint rather than respond to the motion to dismiss, HCSC cannot possibly maintain that the motion lacks merit. Yet if a stay is not granted, this maneuver will allow HCSC *more* time to conduct discovery before the Court reaches the Defendants’ challenge to subject-matter jurisdiction.

Second, one day after HCSC indicated its intent to amend, **Judge Schroeder dismissed with prejudice HCSC’s NSA theory for lack of subject-matter jurisdiction in a parallel case against another defendant.** *Blue Cross Blue Shield of Tex. v. HaloMD, LLC*, No. 5:25-cv-132, Dkt. 64 (E.D. Tex. May 22, 2026) (attached as Decl. of M. Knowles, Ex. 4). Both cases involve the same theory by an affiliate of the same plaintiff represented by the same lawyers. Judge

Schroeder held the “NSA forecloses judicial review” over the claims, as they were “an impermissible collateral attack on the IDR awards.” *Id.* at 6–8. That is Defendants’ exact argument here on this exact same issue. Indeed, every judge to rule on this theory to date has rejected it, and that now includes this Court. *See* Mot. at 3. As Judge Schroeder emphasized, HCSC’s “interpretation of the [NSA] would lead to untenable results.” *Blue Cross*, No. 5:25-cv-132, Dkt. No. 64 at 10 n.5. HCSC relies on this exact same interpretation here.

HCSC’s purported kickback theory does not change this calculus. Stripped of rhetoric, HCSC says nothing more than that one healthcare company acquired another, and that the doctors who referred cases to the acquired company before now send them to the acquiring company. This, HCSC says, is a kickback (under a state law that lacks a private right of action) and in turn, a RICO violation. Without debate, Rule 9(b) applies to this theory. HCSC has not met it, as it now effectively concedes. And the Fifth Circuit has made clear that Rule 9(b) is a *gatekeeper* to discovery—it requires a plaintiff to plead certain things in order to get access to discovery. *Grubbs*, 565 F.3d at 185–86. It would make no sense to allow HCSC to move into discovery before determining if it has unlocked the gate, especially at this new juncture where neither the Court nor Defendants have any insight as to how HCSC purports to amend its allegations.

Finally, HCSC’s argument that it would suffer harm if discovery were delayed is meritless. The “example” healthcare claims it offers date back to 2023. It waited until 2026 to bring this case. HCSC itself proposed an extended discovery schedule that pushes trial until *December 2028*. Then it waited 30 days after the motion to dismiss to announce its intent to amend. It does not seek any preliminary or interim relief of any kind. Actions speak louder than words; there is no exigency here, and a short delay to determine whether this case can go forward at all would cause no harm.

A. HCSC’s IDR claims turn on a threshold jurisdictional issue, warranting a stay.

Where, as here, the threshold question is whether “the court lacks subject-matter

jurisdiction,” courts in this Circuit recognize that “[t]he circumstances . . . are exceptional and warrant a stay.” *Caroselli*, 2025 WL 2161427, at *1.¹ And this Court has done exactly that pending its review of a motion to dismiss for lack of subject-matter jurisdiction under Rule 12(b)(1). *See Hansel*, No. 4:25-cv-504, Dkt. 100. After all, as this Court has recognized, “[t]he party asserting jurisdiction bears the burden to prove jurisdiction exists.” *Hansel*, 2026 WL 776309, at *4. Until HCSC does so, its claims should not proceed to discovery.

B. HCSC may not access discovery before complying with Rule 9(b).

Rule 9(b) is designed to “prevent[] discovery intended as a mere fishing expedition[.]” *U.S. ex rel. Nunnally v. W. Calcasieu Cameron Hosp.*, 519 F. App’x 890, 892 n.2 (5th Cir. 2013). Consistent with that purpose, the Fifth Circuit has repeatedly held that Rule 9(b) requires a plaintiff to plead the “‘who, what, when, where, and how’ of the alleged fraud ‘*before* access to the discovery process is granted[.]’” *Barnes v. Greater Waco Chamber of Com.*, 2006 WL 8436285, at *2 (W.D. Tex. Feb. 14, 2006) (emphasis in original) (quoting *Benchmark Elecs., Inc. v. J.M. Huber Corp.*, 343 F.3d 719, 724 (5th Cir. 2003)); *ABC Arbitrage Plaintiffs Grp. v. Tchurak*, 291

¹ By contrast, the cases HCSC relies on generally involved routine merits arguments that did not involve jurisdiction or Rule 9(b). *See e.g., Valenzuela v. Crest-Mex Corp.*, 2017 WL 2778104, at *5 (N.D. Tex. June 26, 2017) (Rule 12(b)(6) challenges to plaintiffs’ FLSA claims); *Butowsky v. Folkenflik*, 2019 WL 6701629, at *2, *4 (E.D. Tex. Jan. 9, 2019) (denying motion to stay discovery where Rule 12(b)(6) motion was pending); *X Corp. v. Media Matters for Am.*, 2024 WL 1895255, at *4 (N.D. Tex. Apr. 26, 2024) (“even a dismissal based on . . . personal jurisdiction or venue will not end this lawsuit . . . discovery would continue absent dismissal on the merits of Plaintiff’s claims”); *Fed. Nat’l Mortg. Ass’n v. K.O. Realty, Inc.*, 2014 WL 12588308, at *1 (N.D. Tex. Feb. 4, 2014) (declining to stay discovery in a declaratory judgment action because the motion to dismiss “does not address any matters,” such as jurisdictional bars, “that would warrant a stay”); *Great Lakes Ins., S.E. v. Gray Grp. Invs., LLC*, 2021 WL 7708048, at *9–10 (E.D. La. May 21, 2021) (dispositive motion did not render discovery premature where the motion did not raise threshold issues); *Ashford Inc. v. Unite Here*, 2015 WL 11121019, at *2 (N.D. Tex. May 12, 2015) (denying motion to stay discovery because the moving party’s motion to dismiss was not “meritorious enough to warrant a stay”); *Glazer’s Wholesale Drug Co., Inc. v. Klein Foods, Inc.*, 2008 WL 2930482, at *1–2 (N.D. Tex. Jul. 23, 2008) (finding a stay of discovery not warranted where the dispositive motion’s “grounds for dismissal” were “less clear cut”).

F.3d 336, 349 (5th Cir. 2002) (same); *Hart v. Bayer Corp.*, 199 F.3d 239, 247 n.6 (5th Cir. 2000) (same). For this reason, courts within the Fifth Circuit often stay discovery while Rule 9(b) challenges are resolved, recognizing that plaintiffs may not use discovery to supply missing particulars. *See Rangel*, 2018 WL 11405520, at *1 (granting stay because “the Court will not permit Plaintiffs to utilize the discovery process to develop more detailed factual allegations so as to defeat Defendants’ motion to dismiss”).

C. The strength of Defendants’ motion to dismiss warrants a stay.

The complaint is deeply flawed. This is confirmed in Judge Schroeder’s decision dismissing the same IDR theory HCSC advances here. HCSC’s actions likewise concede as much: two days after filing its opposition to the motion to stay, HCSC sought Defendants’ consent to amend its complaint (and this was *before* Judge Schroeder dismissed its theory in the other case). Decl. of M. Knowles, Ex. 3, at 2. Where HCSC apparently cannot even muster an opposition to the motion to dismiss, and will instead amend in an effort to address the Defendants’ objections, it cannot argue that the pending motion lacks merit.

D. A stay would not prejudice HCSC.

HCSC posits that Defendants “overlook the harm” they will suffer if a stay is granted, but it never identifies any concrete harm. In any event, to the extent HCSC claims it would be harmed because a stay would “lengthen[] the litigation,” that contention is undermined by two facts.

First, HCSC’s assertion that it is “suffering ongoing injuries” as a result of Defendants’ “ongoing scheme” is a red herring. If HCSC truly believed it faced ongoing harm warranting immediate relief, it could have attempted to make the showing needed for interim relief (e.g., a temporary restraining order or preliminary injunction). It cannot meet the test and did not try. And the purported claims tainted by kickbacks offered as examples in the complaint date as far back as July 2023, Dkt. 1 ¶¶ 82, 95,108, yet HCSC waited until 2026 to start this case. Finally, HCSC

asked Defendants to stipulate to amendment of its complaint, restarting the motion-to-dismiss process some 30 days after Defendants filed their motion to dismiss. Decl. of M. Knowles, Ex. 3, at 2.

Second, HCSC has itself proposed lengthening the litigation by years. HCSC prepared the first draft of the docketing order the parties jointly submitted on May 12, 2026, Dkt. 33-2, and proposed extending the Court’s deadlines by at least a year and a half, such that trial would be in December 2028. *See* Decl. of M. Knowles, Ex. 2, at 1 (moving the pre-trial conference from March 10, 2027 to November 13, 2028). Now it seeks to file an amended complaint that may restart the briefing process. A short delay is not material in light of this schedule.²

CONCLUSION

Given the proposed amendment and Judge Schroeder’s decision and order in *HaloMD*, it makes even less sense to allow merits discovery before addressing jurisdiction and Rule 9(b). Certainly, HCSC should not be rewarded with *more* time for pre-ruling discovery by delaying resolution of these issues. HCSC does not assert that the proposed amendment itself moots this motion to stay. *See* Decl. of M. Knowles, Ex. 2, at 1 (in response to Defendants’ question, stating its view that amendment “does not affect the motion to stay.”). Thus, the Court should stay discovery pending its resolution of Defendants’ Rule 12(b)(1) and 9(b) challenges (whether to the original or amended complaint).³

² HCSC has not yet served its requests but plainly will seek broad discovery. In any event, Courts in this Circuit grant the dispositive motion itself, even absent a showing that discovery would be unusually onerous. *Armstrong v. Cumberland Acad.*, 2021 WL 2784296, at *2 (E.D. Tex. Mar. 22, 2021). At minimum, this factor is neutral with respect to the motion to stay discovery for now.

³ Of course, if HCSC files an amended complaint as to which there is no meritorious motion to dismiss, then the Defendants will answer and discovery can begin without dispute.

Dated: May 26, 2026

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Respectfully submitted,

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Attorneys for Defendants

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was electronically filed with the Clerk of the Court using the CM/ECF filing system, which will generate and send an e-mail notification of said filing to all counsel of record on May 26, 2026.

/s/ Matthew L. Knowles
Matthew L. Knowles

EXHIBIT 1

and correct copy of which is attached to our reply brief as **Exhibit 2** with relevant portions highlighted per Local Rule CV-7(b), which counsel for HCSC had prepared pursuant to the Court's April 28, 2026 Order (Dkt. No. 31). That draft proposed extending many of the Court's standard deadlines by a year and a half. For example, counsel for HCSC proposed scheduling the pre-trial conference, which under the standard deadlines would have been scheduled for March 10, 2027, for November 13, 2028.

4. On May 21, 2026, two days after HCSC filed its opposition to the Motion to Stay in which it claimed that it would be harmed by a delay in discovery, I received an email from Charles Gokey, counsel for HCSC, informing me that HCSC intended to file an amended complaint. In response to my question, Mr. Gokey confirmed that HCSC's view is that the planned filing of the amended complaint does not affect the Motion to Stay. Attached to the Reply as **Exhibit 3** is a true and correct copy of the email thread containing Mr. Gokey's initial message, my reply, and his confirmation of HCSC's position as to the effect of the amended complaint on Defendants' Motion to Stay.
5. On May 22, 2026, this Court dismissed with prejudice another case brought by HCSC's subsidiary, Blue Cross Blue Shield of Texas, that is premised on the same No Surprises Act theory as this one. This Court is the fourth court to reject HCSC's theory—every court to rule on this theory to date has rejected it. Attached to the Reply as **Exhibit 4** is a true and correct copy of that order, *Blue Cross Blue Shield of Tex. v. HaloMD, LLC*, No. 5:25-cv-132, Dkt. No. 64 (E.D. Tex. May 22, 2026), with relevant portions highlighted per Local Rule CV-7(b). Counsel for the parties briefly

discussed the effect of this ruling on the instant motion during a teleconference on May 22, 2026, but were unable to reach an agreement to resolve the issues set for resolution here.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 26th day of May 2026, in Boston, Massachusetts.

/s/ Matthew L. Knowles
Matthew L. Knowles

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document was electronically filed with the Clerk of the Court using the CM/ECF filing system, which will generate and send an e-mail notification of said filing to all counsel of record on May 26, 2026.

/s/ Matthew L. Knowles
Matthew L. Knowles

EXHIBIT 2

From: [Janochoski, Joseph T.](#)
To: jpickett@jpickettlaw.com; [Knowles, Matthew](#); [Frausto, Asseret](#); [Zaccaro, Carolyn](#); [McDonnell, Bray](#)
Cc: [Harting, John K.](#); [Kurtz, Jamie R.](#); [Nelson, Kyle D.](#); [Dreyer, Lindsay K.](#); [Moore, Nathaniel J.](#); [Gokey, Charlie C.](#); [Hayes, Nicole M.](#)
Subject: Draft Joint Conference Report, Docket Control Order, Discovery Order, Protective Order, and E-Disc Order - HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB -- E.D. Tex)
Date: Thursday, May 7, 2026 6:17:58 PM
Attachments: [image001.png](#)
[DRAFT - Joint Rule 26\(f\) Report for HCSC v NMA et al.docx](#)
[DRAFT - Ex. B - Docket Control Order \(Redline Version\).docx](#)
[DRAFT - Ex. D - Discovery Order \(Redline Version\).docx](#)
[DRAFT - Ex. F - HIPAA Qualified Protective Order \(Redline Version\).docx](#)
[DRAFT - Ex. H - E-Discovery Order \(Redline Version\).docx](#)

[External Email]

Counsel,

Under the Court's April 28 Order (ECF No. 31), the parties in *HCSC v. NMA et al.* matter are required to submit to the Court a joint conference report as well as a joint proposed docket control order and discovery order, with redlines showing changes from the Court's templates. The Court also invited the parties to submit a proposed protective order and proposed e-discovery order, also with redlines. These are due to the Court by May 12, one week before the May 19 conference.

We have prepared drafts of each of these documents (with placeholders for Defendants' statements), which are attached here. Please let us know if you agree with these draft joint submissions, or if you have any proposed changes.

All the best,

Joseph T. Janochoski
Associate Attorney

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Internal Revenue Code or (ii) promoting, marketing or recommending to another person any tax-related matter.

Thank you in advance for your cooperation.

Robins Kaplan LLP
<http://www.robinskaplan.com>

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

HEALTH CARE SERVICE CORPORATION, A MUTUAL LEGAL RESERVE COMPANY, <p align="center"><i>Plaintiff,</i></p> vs. NEUROMONITORING ASSOCIATES, LLC, PHYSICIAN OVERSIGHT, LLC, and MONITORING ASSOCIATES LLC, <p align="center"><i>Defendants.</i></p>	Case No. 5:26-cv-00022-RWS-JBB
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DOCKET CONTROL ORDER

It is hereby **ORDERED** that the following schedule of deadlines is in effect until further order of this Court:

3 DAYS after conclusion of Trial	Parties to file Motion to Seal Trial Exhibits , if they wish to seal any highly confidential exhibits. EXHIBITS: See Order below regarding exhibits.
March 22 December 4, 2028 9:00am**	9:00 a.m. JURY TRIAL before Judge Robert W. Schroeder III, Texarkana, Texas. For planning purposes, parties shall be prepared to start the evidentiary phase of trial immediately following jury selection.
March December 4²², 2028 9:00am**	9:00 a.m. JURY SELECTION before Judge Robert W. Schroeder III, Texarkana, Texas.
March November 13¹⁰, 2028 10:00am**	10:00 a.m. PRETRIAL CONFERENCE before Magistrate Judge J. Boone Baxter, Texarkana, Texas. All pending motions will be heard. Lead trial counsel must attend the pretrial conference.

Commented [A1]: The asterisks denote dates that require a showing of good cause to change, and can be removed upon final submission. Good cause is referenced in the last section in the draft joint conference report.

1 week before pretrial <u>November 3, 2028</u>	File a Notice of Time Requested for (1) voir dire, (2) opening statements, (3) direct and cross examinations, and (4) closing arguments.
1 week before pretrial <u>November 3, 2028</u>	File Responses to Motions <i>in Limine</i>.
2 weeks before pretrial <u>October 20, 2028</u>	File Motions <i>in Limine</i> and pretrial objections The parties are ORDERED to meet and confer to resolve any disputes before filing any motion <i>in limine</i> or objection to pretrial disclosures.
2 weeks before pretrial <u>October 13, 2028</u>	File Joint Final Pretrial Order, Joint Proposed Jury Instructions with citation to authority and Form of the Verdict for jury trials. Parties shall use the pretrial order form on Judge Schroeder's website. Proposed Findings of Fact and Conclusions of Law with citation to authority for issues tried to the bench.
2 weeks before pretrial <u>October 13, 2028</u>	Deadline to consent to proceed before the Magistrate Judge for all remaining proceedings in this case, including a jury or nonjury trial, the entry of a final judgment, and all post-trial proceedings. 28 U.S.C. § 636(c)(1). If all parties agree to consent to the Magistrate Judge to handle all remaining proceedings (including trial, post-trial, and the entry of final judgment), the parties are to jointly or separately file Local Form, modifying AO 85 (Notice, Consent, and Reference of a Civil Action to a Magistrate Judge for <u>All Proceedings</u>) located on Judge Baxter's website. The form should be electronically filed using the event "Notice Regarding Consent to Proceed Before Magistrate Judge." Each party may withhold consent without any adverse consequence. 28 U.S.C. § 636(c)(2).
3 weeks before pretrial <u>October 6, 2028</u>	Exchange Objections to Rebuttal Deposition Testimony.

<p>4 weeks before pretrial <u>October 6, 2028</u></p>	<p>Notice of Request for Daily Transcript or Real Time Reporting of Court Proceedings due.</p> <p>If a daily transcript or real time reporting of court proceedings is requested for trial or hearings, the party or parties making said request shall file a notice and email Shelly Holmes at shelly_holmes@txed.uscourts.gov.</p>
<p>4 weeks before pretrial <u>September 15, 2028</u></p>	<p>Exchange Rebuttal Designations and Objections to Deposition Testimony.</p> <p>For rebuttal designations, cross examination line and page numbers to be included. In video depositions, each party is responsible for preparation of the final edited video in accordance with their parties' designations and the Court's rulings on objections.</p>
<p>No later than 5 weeks before pretrial <u>September 8, 2028</u></p>	<p>Deadline to mediate.</p> <p>For cases in which the parties have agreed, or been ordered, to mediate, the parties shall complete mediation no later than five weeks before the pretrial conference or seek leave of Court for additional time in which to mediate.</p>
<p><u>September 8, 2028</u> 6 weeks before pretrial</p>	<p>Exchange Pretrial Disclosures (Witness List, Deposition Designations, and Exhibit List).</p> <p>Video and Stenographic Deposition Designation due. Each party who proposes to offer deposition testimony shall serve a disclosure identifying the line and page numbers to be offered.</p>

<p>To be assigned by the Court April 14, 2028**</p> <p><i>4 months before pretrial</i></p>	<p>Any Remaining Dispositive Motions due from all parties and any other motions that may require a hearing (including Daubert motions).</p> <p>Motions shall comply with Local Rule CV-56 and Local Rule CV-7. <u>Motions to extend page limits will only be granted in exceptional circumstances.</u></p> <p><u>*The parties may move to extend the dispositive motions deadline—without the need to show good cause—to the extent they also agree to a modified briefing schedule that ensures briefing is completed on the same date as previously contemplated. Any requested extension that requires compressing the time between completed briefing and the pretrial conference, or moving the pretrial conference, will require a showing of good cause.</u></p> <p>For each motion filed, the moving party SHALL provide the Court with one (1) copy of the completed briefing (opening motion, response, reply, and if applicable, surreply), excluding exhibits, in a three-ring binder appropriately tabbed. All documents shall be double-sided and must include the CM/ECF header. These copies shall be delivered to Judge Baxter’s chambers in Texarkana as soon as briefing has completed.</p> <p>Respond to Amended Pleadings.</p>
<p>1-week before Dispositive Motions March 24, 2028</p>	<p>Parties to Identify Rebuttal Trial Witnesses.</p>
<p>2-weeks before Dispositive Motions March 10, 2028</p>	<p>Parties to Identify Trial Witnesses; Amend Pleadings.</p> <p>It is not necessary to file a Motion for Leave to Amend before the deadline to amend pleadings. It is necessary to file a Motion for Leave to Amend after the deadline.</p>
<p>4-weeks before Dispositive Motions February 25, 2028</p>	<p>Discovery Deadline.</p>
<p>February 11, 2028</p>	<p><u>Document Production Deadline.</u></p>

<p><i>8 weeks before</i> Dispositive Motions<u>February 4,</u> <u>2028</u></p>	<p>Parties designate rebuttal expert witnesses, rebuttal expert witness reports due. Refer to Local Rules for required information.</p> <p>If, without agreement, a party serves a supplemental expert report after the rebuttal expert report deadline has passed, the serving party must file notice with the Court stating service has occurred and the reason why a supplemental report is necessary under the circumstances.</p>
<p><i>10 weeks before</i> Dispositive Motions<u>December 17,</u> <u>2027</u></p>	<p>Parties with burden of proof designate expert witnesses. Expert witness reports due. Refer to Local Rules for required information.</p>
<p><u>October 15, 2027</u></p>	<p><u>Substantial Completion of Document Production.</u></p>
<p><i>12 weeks before</i> Dispositive Motions</p>	<p>Document Production Deadline.</p>
<p>4 weeks after Scheduling Conference<u>September</u> <u>11, 2026</u></p>	<p>Defendant shall join additional parties. It is not necessary to file a motion to join additional parties prior to this date. Thereafter, it is necessary to obtain leave of Court to join additional parties.</p> <p>Defendant shall assert any counterclaims. After this deadline, leave of Court must be obtained to assert any counterclaims.</p>
<p>4 weeks after Scheduling Conference<u>June 16,</u> <u>2026</u></p>	<p>Deadline to Notify the Court regarding Mediation.</p> <p>Parties are encouraged, but not required, to mediate cases. If the parties agree to mediate, they shall jointly file a motion with a proposed order attached. The motion shall indicate whether the parties agree upon a mediator and a mediation deadline. If the parties cannot agree on a mediator, they may request the Court appoint a mediator. The parties shall confirm the mediator's availability in light of the mediation deadline, which shall be no later than five weeks before the pretrial conference. If the parties do not agree to mediate, they shall file a notice so indicating.</p>

<p>4 weeks after Scheduling Conference June 16, 2026</p>	<p>Deadline to consent to proceed before the Magistrate Judge for all <u>pretrial motions</u>, including dispositive motions. 28 U.S.C. § 636(c)</p> <p>This case is referred to the Magistrate Judge for all pretrial proceedings, and as such, the parties are afforded the objection procedures described in Fed. R. Civ. P. 72(a) and (b) and Local Rule CV-72(b) and (c). Upon consent of all parties, these objection procedures may be waived by consenting to the Magistrate Judge to hear and determine <u>all pretrial motions</u>. Any party is free to withhold consent without any adverse consequence and the objection procedures will remain in place. 28 U.S.C. § 636(c)(2).</p> <p>If all parties agree to consent to the Magistrate Judge to hear and determine all pretrial motions (thus foregoing the need for Report and Recommendations for dispositive motions), the parties are to jointly file Local Form, modifying AO 85A (Notice, Consent, and Reference of <u>All Pretrial Motions</u> to a Magistrate Judge) located on Judge Baxter’s website. The form should be electronically filed using the event “Notice Regarding Consent to Proceed Before Magistrate Judge.” The case will remain assigned to the District Judge for trial and all post-trial proceedings.</p> <p><i>If the parties wish to consent to the Magistrate Judge for all proceedings, including trial, the entry of final judgment, and all post-trial proceedings in addition to pretrial motions, they are to file Local Form, modifying AO 85 (Notice, Consent, and Reference of a Civil Action to a Magistrate Judge for <u>All Proceedings</u>).</i></p>
<p>2 weeks after Scheduling Conference June 2, 2026</p>	<p>Plaintiff shall join additional parties. It is not necessary to file a motion to join additional parties prior to this date. Thereafter, it is necessary to obtain leave of Court to join additional parties.</p>
<p><i>Parties’ estimated number of trial days</i></p>	<p>EXPECTED LENGTH OF TRIAL: <u>Ten (10) trial days</u></p>

In the event that any of these dates fall on a weekend or Court holiday, the deadline is modified to be the next Court business day.

The parties are directed to Local Rule CV-7(d), which provides in part that “[a] party’s failure to oppose a motion in the manner prescribed herein creates a presumption that the party does not controvert the facts set out by movant and has no evidence to offer in opposition to the motion.”

A party may request an oral hearing on a motion filed with the Court. Any such request shall be included in the text or in a footnote on the first page of the motion or any responsive pleading thereto after discussing the issue with the other party or parties. The Court will consider requests to appear remotely, if agreed to by all parties.

Other Limitations

- (a) The following excuses will not warrant a continuance or justify a failure to comply with the discovery deadline:
 - (i) The fact that there are motions for summary judgment or motions to dismiss;
 - (ii) The fact that one or more of the attorneys is set for trial in another court on the same day, unless the other setting was made prior to the date of this order or was made as a special provision for the parties in the other case;
 - (iii) The failure to complete discovery prior to trial, unless the parties can demonstrate that it was impossible to complete discovery despite their good faith effort to do so.
- (b) Amendments to the Docket Control Order (“DCO”): Any motion to alter any date on the DCO shall take the form of a motion to amend the DCO. The motion shall include a chart in the format of the DCO that lists all of the remaining dates in one column (as above) and the proposed changes to each date in an additional adjacent column (if there is no change for a date the proposed date column should remain blank or indicate that it is unchanged). The motion to amend the DCO shall also include a proposed DCO in traditional two-column format that incorporates the requested changes and that also lists all remaining dates. In other words, the DCO in the proposed order should be complete such that one can clearly see all the remaining deadlines rather than needing to also refer to an earlier version of the DCO.
- (c) Motions in Limine: Each side is limited to one (1) motion *in limine* addressing no more than ten (10) disputed issues. In addition, the parties may file a joint motion *in limine* addressing any agreed issues. The Court views motions *in limine* as appropriate for those things that will create the proverbial “skunk in the jury box,” e.g., that, if mentioned in front of the jury before an evidentiary ruling can be made, would be so prejudicial that the Court could not alleviate the prejudice with an appropriate instruction. Rulings on motions *in limine* do not exclude evidence, but prohibit the party from offering the disputed testimony prior to obtaining an evidentiary ruling during trial.
- (d) Exhibits: Each side is limited to designating 250 exhibits for trial absent a showing of good cause. The parties shall use the exhibit list sample form on Judge Schroeder’s website.
- (e) Deposition Designations: Each side is limited to designating no more than ten (10) hours of deposition testimony for use at trial absent a showing of good cause. As trial approaches, if either side needs to designate more than ten (10) hours, the party may file a motion for leave and show good cause. All depositions to be read into evidence

as part of the parties' case-in-chief shall be EDITED so as to exclude all unnecessary, repetitious, and irrelevant testimony; ONLY those portions which are relevant to the issues in controversy shall be read into evidence.

- (f) Witness Lists: The parties shall use the witness list sample form on Judge Schroeder's website.

ORDER REGARDING EXHIBITS, EXHIBIT LISTS AND WITNESS LISTS:

- A. On the first day of trial, each party is required to have:
- (1) One copy of their respective original exhibits on hand. Each exhibit shall be properly labeled with the following information: Identified as either Plaintiff's or Defendant's Exhibit, the Exhibit Number and the Case Number.
 - (2) Three hard copies of each party's exhibit list and witness list on hand.
 - (3) One copy of all exhibits on USB Flash Drive(s) or portable hard drive(s). This shall be tendered to the Courtroom Deputy at the beginning of trial.
- B. The parties shall follow the process below to admit exhibits.
- (1) *On the first day of trial*, each party shall tender a preadmitted list of exhibits it plans to admit into evidence. This list shall include all exhibits which are NOT objected to or to which the Court has already overruled an objection. To the extent there are exhibits with outstanding objections for which the parties need a ruling from the Court, those exhibits should be separately included on the list and designated accordingly to reflect a pending objection. Parties shall entitle the list "[Plaintiff's/Defendant's] List of Preadmitted Exhibits." If, during the course of the day's testimony, a party wishes to offer an objected exhibit into evidence, the party may move for admission at the time it wishes to use that exhibit with a witness. The Court will then hear the opposing party's objection and will rule on the objection at that time.
 - (2) *On each subsequent day of trial*, the Court will commence by formally admitting all of the exhibits that were either unobjected to or allowed over objection and used during the previous day's trial. The Court will ask for these exhibits to be read into the record and formally admitted into evidence at the beginning of that trial day. These will be the exhibits deemed admitted at trial. The parties shall keep a separate running list of all exhibits admitted throughout the course of trial.
 - (3) *At the conclusion of evidence*, each party shall read into the record any exhibit that was used but not previously admitted during the course of trial and then tender its final list of every admitted exhibit, entitled "[Plaintiff's/Defendant's] Final List of All Admitted Exhibits." To the extent there are exhibits that were not admitted during the course of trial, but for which there is agreement that they should be provided to the jury, the parties must inform the Court of those exhibits at the conclusion of evidence. The Court will then determine whether those exhibits will be allowed into the jury room for deliberations.

- C. At the conclusion of evidence, each party shall be responsible for pulling those exhibits admitted at trial and shall tender those to the Courtroom Deputy, who will verify the exhibits and tender them to the jury for their deliberations. One representative from each side shall meet with the Courtroom Deputy to verify the exhibit list.
- D. At the conclusion of trial, all boxes of exhibits shall be returned to the respective parties and the parties are instructed to remove these exhibits from the courtroom.
- E. Within five business days of the conclusion of trial, each party shall submit to the Courtroom Deputy:
 - (1) A Final Exhibit List of Exhibits Admitted During Trial in Word format.
 - (2) Two CDs containing admitted unsealed trial exhibits in PDF format. If the Court ordered any exhibits sealed during trial, the Sealed Exhibits shall be submitted on a separate CD. If tangible or over-sized exhibits were admitted, such exhibits shall be substituted with a photograph in PDF format.
 - (3) A disk containing the transcripts of Video Depositions played during trial, along with a copy of the actual video deposition.

EXHIBIT 3

From: [Gokey, Charlie C.](#)
To: [Knowles, Matthew](#); [Frausto, Asseret](#); [Janochoski, Joseph T.](#); jpickett@jpickettlaw.com; [Zaccaro, Carolyn](#); [McDonnell, Bray](#)
Cc: [Harting, John K.](#); [Kurtz, Jamie R.](#); [Dreyer, Lindsay K.](#); [Nelson, Kyle D.](#); [Fielding, Jackie R.D.](#); [Moore, Nathaniel J.](#)
Subject: RE: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)
Date: Thursday, May 21, 2026 3:11:09 PM
Attachments: [image002.png](#)

[External Email]

Thanks, Matt—much appreciated. Our view is that this does not affect the motion to stay discovery.

From: Knowles, Matthew <Mknowles@mcdermottlaw.com>
Sent: Thursday, May 21, 2026 2:05 PM
To: Gokey, Charlie C. <CGokey@RobinsKaplan.com>; Frausto, Asseret <afrausto@mcdermottlaw.com>; Janochoski, Joseph T. <JJanochoski@RobinsKaplan.com>; jpickett@jpickettlaw.com; Zaccaro, Carolyn <czaccaro@mcdermottlaw.com>; McDonnell, Bray <rmcdonnell@mcdermottlaw.com>
Cc: Harting, John K. <JHarting@RobinsKaplan.com>; Kurtz, Jamie R. <JKurtz@RobinsKaplan.com>; Dreyer, Lindsay K. <LDreyer@RobinsKaplan.com>; Nelson, Kyle D. <KNelson@RobinsKaplan.com>; Fielding, Jackie R.D. <JFielding@RobinsKaplan.com>; Moore, Nathaniel J. <NMoore@RobinsKaplan.com>
Subject: [EXTERNAL] Re: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)

Charlie,

We will discuss with our clients and endeavor to get back to you by 2 pm ET tomorrow. We'll need to know your position on how if at all this affects the pending motion regarding discovery.

Matt

Matthew Knowles

Partner

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mknowles@mcdermottlaw.com | [LinkedIn](#)

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200 Clarendon Street, Floor 58, Boston, MA 02116

From: Charlie C Gokey* <CGokey@RobinsKaplan.com>
Date: Thursday, May 21, 2026 at 2:03 PM
To: "Frausto, Asseret" <afrausto@mcdermottlaw.com>, Joseph T Janochoski* <JJanochoski@RobinsKaplan.com>, John Pickett* <jpickett@jpickettlaw.com>, Matthew Knowles* <Mknowles@mcdermottlaw.com>, "Zaccaro, Carolyn" <czaccaro@mcdermottlaw.com>, "McDonnell, Bray" <rmcdonnell@mcdermottlaw.com>
Cc: John Harting* <JHarting@RobinsKaplan.com>, Jamie R Kurtz* <JKurtz@RobinsKaplan.com>, Lindsay K Dreyer* <LDreyer@RobinsKaplan.com>, Kyle D Nelson* <KNelson@RobinsKaplan.com>, Jackie R D Fielding* <JFielding@RobinsKaplan.com>, Nathaniel J Moore*

<NMoore@RobinsKaplan.com>

Subject: RE: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)

[External Email]

Asseret and team,

Following up on the below, HCSC plans to file an amended complaint next week. Since the Court has not yet entered the DCO, will NMA consent to the amendment under Rule 15(a)(2)? We would appreciate it if you can confirm by 2 pm ET tomorrow so we do not need to file a placeholder motion.

Thank you.

Best,
Charlie

From: Frausto, Asseret <afrausto@mcdermottlaw.com>

Sent: Thursday, April 23, 2026 11:15 AM

To: Janochoski, Joseph T. <JJanochoski@RobinsKaplan.com>; jpickett@jpickettlaw.com; Knowles, Matthew <Mknowles@mcdermottlaw.com>; Zaccaro, Carolyn <czaccaro@mcdermottlaw.com>; McDonnell, Bray <rmcdonnell@mcdermottlaw.com>

Cc: Gokey, Charles C. <CGokey@RobinsKaplan.com>; Harting, John K. <JHarting@RobinsKaplan.com>; Kurtz, Jamie R. <JKurtz@RobinsKaplan.com>; Dreyer, Lindsay K. <LDreyer@RobinsKaplan.com>; Nelson, Kyle D. <KNelson@RobinsKaplan.com>; Fielding, Jackie R.D. <JFielding@RobinsKaplan.com>; Moore, Nathaniel J. <NMoore@RobinsKaplan.com>

Subject: [EXTERNAL] Re: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)

Joseph,

Confirm NMA agrees.

Thank you,
Asseret

Asseret Frausto
Partner

T: +1 617 535 4067 | M: +1 619 750 1389
afrausto@mcdermottlaw.com | [LinkedIn](#)

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200 Clarendon Street | Floor 58 | Boston, MA 02116-5021 | USA



From: Janochoski, Joseph T. <JJanochoski@RobinsKaplan.com>
Sent: Thursday, April 23, 2026 11:29:41 AM
To: Frausto, Asseret <afrausto@mcdermottlaw.com>; jpickett@jpickettlaw.com <jpickett@jpickettlaw.com>; Knowles, Matthew <Mknowles@mcdermottlaw.com>; Zaccaro, Carolyn <czaccaro@mcdermottlaw.com>; McDonnell, Bray <rmcdonnell@mcdermottlaw.com>
Cc: Gokey, Charles C. <CGokey@RobinsKaplan.com>; Harting, John K. <JHarting@RobinsKaplan.com>; Kurtz, Jamie R. <JKurtz@RobinsKaplan.com>; Dreyer, Lindsay K. <LDreyer@RobinsKaplan.com>; Nelson, Kyle D. <KNelson@RobinsKaplan.com>; Fielding, Jackie R.D. <JFielding@RobinsKaplan.com>; Moore, Nathaniel J. <NMoore@RobinsKaplan.com>
Subject: RE: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)

You don't often get email from jjanochoski@robinskaplan.com. [Learn why this is important](#)

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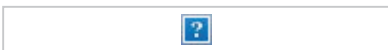
Asseret,

We just noticed that while we mentioned in our description of the briefing schedule below (and in our draft motion) that we intended to extend both the reply and sur-reply deadline by a week, I neglected to add the correct date for the sur-reply deadline to our proposed schedule. My apologies – that was an error on my part. The below schedule is what we intended to propose. The only change is for the sur-reply deadline (highlighted in yellow). Can you confirm NMA agrees with this?

Event:	Current Deadline:	Proposed New Deadline:
HCSC’s Opposition Memorandum in Response to Defendants’ Motion to Dismiss and Request for Judicial Notice	May 5, 2026	May 28, 2026
Defendants’ Reply Brief in Support of Motion to Dismiss and Request for Judicial Notice	May 12, 2026	June 11, 2026
HCSC’s Sur-Reply Brief in Response to Defendants’ Motion to Dismiss and Request for Judicial Notice	May 19, 2026	June 25, 2026

Sincerely,

Joseph T. Janochoski
Associate Attorney



Robins Kaplan LLP || 800 LaSalle Avenue, Suite 2800, Minneapolis, MN 55402
p 612 349 8738 || jjanochoski@robinskaplan.com || www.robinskaplan.com

From: Frausto, Asseret <afrausto@mcdermottlaw.com>
Sent: Thursday, April 23, 2026 8:14 AM
To: Janochoski, Joseph T. <JJanochoski@RobinsKaplan.com>; jpickett@jpickettlaw.com; Knowles, Matthew <Mknowles@mcdermottlaw.com>; Zaccaro, Carolyn <czaccaro@mcdermottlaw.com>; McDonnell, Bray <rmcdonnell@mcdermottlaw.com>
Cc: Gokey, Charles C. <CGokey@RobinsKaplan.com>; Harting, John K. <JHarting@RobinsKaplan.com>; Kurtz, Jamie R. <JKurtz@RobinsKaplan.com>; Dreyer, Lindsay K. <LDreyer@RobinsKaplan.com>; Nelson, Kyle D. <KNelson@RobinsKaplan.com>; Fielding, Jackie R.D. <JFielding@RobinsKaplan.com>; Moore, Nathaniel J. <NMoore@RobinsKaplan.com>
Subject: [EXTERNAL] RE: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)

Joseph,

Thank you. Confirming that NMA will agree to this schedule and motion.

Thanks,
Asseret

Asseret Frausto
Partner

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afrausto@mcdermottlaw.com | [LinkedIn](#)

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200 Clarendon Street | Floor 58 | Boston, MA 02116-5021 | USA



From: Janochoski, Joseph T. <JJanochoski@RobinsKaplan.com>
Sent: Wednesday, April 22, 2026 5:27 PM
To: jpickett@jpickettlaw.com; Knowles, Matthew <Mknowles@mcdermottlaw.com>; Frausto, Asseret <afrausto@mcdermottlaw.com>; Zaccaro, Carolyn <czaccaro@mcdermottlaw.com>; McDonnell, Bray <rmcdonnell@mcdermottlaw.com>
Cc: Gokey, Charles C. <CGokey@RobinsKaplan.com>; Harting, John K. <JHarting@RobinsKaplan.com>; Kurtz, Jamie R. <JKurtz@RobinsKaplan.com>; Dreyer, Lindsay K. <LDreyer@RobinsKaplan.com>; Nelson, Kyle D. <KNelson@RobinsKaplan.com>; Fielding, Jackie R.D. <JFielding@RobinsKaplan.com>; Moore, Nathaniel J. <NMoore@RobinsKaplan.com>
Subject: Draft Motion for Stipulated Briefing Schedule in HCSC v. NMA et al. (5:26-cv-00022-RWS-JBB)

[External Email]

Counsel,

At present, HCSC’s response to Defendants’ motion to dismiss in the above-referenced matter is due May 5. HCSC intends to seek a 23-day extension on that deadline (the extra few days beyond three weeks is intended to account for the Memorial Day holiday). HCSC also proposes adding stipulated deadlines for Defendants’ reply, and HCSC’s sur-reply, that extends the seven-day window out an extra week. In short, HCSC proposes the briefing schedule:

Event:	Current Deadline:	Proposed New Deadline:
HCSC’s Opposition Memorandum in Response to Defendants’ Motion to Dismiss and Request for Judicial Notice	May 5, 2026	May 28, 2026
Defendants’ Reply Brief in Support of Motion to Dismiss and Request for Judicial Notice	May 12, 2026	June 11, 2026
HCSC’s Sur-Reply Brief in Response to Defendants’ Motion to Dismiss and Request for Judicial Notice	May 19, 2026	June 18, 2026

We’ve prepared a draft agreed motion for this schedule, and a proposed order, which are attached here. Will NMA agree to this schedule and this motion? Please let us know as soon as possible.

Sincerely,

Joseph T. Janochoski
Associate Attorney



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Robins Kaplan LLP
<http://www.robinskaplan.com>

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Please visit <http://www.mcdermottlaw.com/> for more information about our Firm.

EXHIBIT 4

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION**

BLUE CROSS BLUE SHIELD OF	§	
TEXAS, A DIVISION OF HEALTH CARE	§	
SERVICE CORPORATION, A MUTUAL	§	
LEGAL RESERVE COMPANY,	§	
	§	
Plaintiff,	§	
	§	CIVIL ACTION NO. 5:25-CV-132-RWS
v.	§	
	§	
HALOMD, LLC, ALLA LAROQUE,	§	
SCOTT LAROQUE,	§	
	§	
Defendants.	§	

ORDER

Before the Court are Defendants HaloMD, LLC, Alla LaRoque, and Scott LaRoque’s Joint Motions to Dismiss Pursuant to Rules 12(b)(1) and 12(b)(6) and Related Request for Judicial Notice of Public Documents (Docket No. 15)¹ and Defendants’ Motion to Stay Discovery Pending Resolution of Defendants’ Rules 12(b)(1) and 12(b)(6) Motions to Dismiss (Docket No. 31). Defendants’ motion to dismiss is fully briefed (Docket Nos. 15, 21, 28, 39), and Defendants’ motion to stay is briefed through a response (Docket Nos. 31, 35). On March 10, 2026, the Court heard oral argument on the motions. Docket No. 50. For the reasons set forth below, Defendants’ motion to dismiss (Docket No. 15) is **GRANTED**, and Defendants’ motion to stay (Docket No. 31) is **DENIED-AS-MOOT**.

BACKGROUND

Plaintiff filed this lawsuit on August 28, 2025, alleging that Defendants developed a scheme to abuse the federal and Texas independent dispute resolution (“IDR”) processes for

¹ While Defendants styled their briefing as “joint motions,” their arguments are contained in a single document, so the Court refers to Docket No. 15 as a “motion to dismiss.”

determining the appropriate reimbursement amounts for certain medical items and services. Docket No. 2 (Complaint) at ¶¶ 89–99. As part of this alleged scheme, Plaintiff complains that HaloMD, LLC initiated IDR proceedings for ineligible items, services, and claims. *Id.* at ¶ 12. Plaintiff contends that, in combination with the submission of ineligible items and services for IDR, Defendants used “delay and dump tactics” by “submit[ting] massive numbers of open negotiations and IDR initiations all at once.” *Id.* at ¶¶ 199–201. As a consequence, Plaintiff claims that the alleged scheme has resulted in tens of millions of dollars in ineligible awards for out-of-network providers that are represented by HaloMD in the IDR process. *Id.* at ¶ 331.

Defendants filed the instant motion to dismiss on November 18, 2025, claiming that the Court lacks subject matter jurisdiction, or, alternatively, that Plaintiff has failed to state a claim for relief.² *See generally* Docket No. 15. On February 13, 2026, Defendants moved to stay discovery pending the resolution of the motion to dismiss. Docket No. 31.

LEGAL STANDARD

I. Rule 12(b)(1)

Federal Rule of Civil Procedure 12(b)(1) allows a party to challenge the subject-matter jurisdiction of a federal court to hear a claim. A motion to dismiss under Rule 12(b)(1) is properly granted when the court lacks the statutory or constitutional power to adjudicate the case. *Home Builders Ass’n of Mississippi, Inc. v. City of Madison*, 143 F.3d 1006, 1010 (5th Cir. 1998). The

² Since the hearing on Defendants’ motions, Defendants have filed three notices of supplemental authority. Docket Nos. 58, 60, 62. The notices alert the Court to orders on motions to dismiss in other district courts concerning similar issues presented here. *See generally* Docket Nos. 58-1, 60-1, 62-1. Defendants ask the Court to take judicial notice of these orders. While Plaintiff opposes the applicability of the supplemental authority, it does not challenge judicial notice. *See* Docket Nos. 59, 61, 63. Accordingly, the Court takes judicial notice of the supplemental authority. *See Prescott v. Catoe*, No. 4:20-CV-00169-ALM-CAN, 2021 WL 11486160, at *1 n.1 (“A court may take judicial notice of publicly available documents, including filings, orders, and judgments from other lawsuits.”).

party asserting jurisdiction bears the burden of proving that subject-matter jurisdiction exists. *Ramming v. United States*, 281 F.3d 158, 161 (5th Cir. 2001). A motion to dismiss under Rule 12(b)(1) should be granted “if it appears certain that the plaintiff cannot prove any set of facts in support” of his or her claims. *Sureshot Golf Ventures, Inc. v. Topgolf Int’l, Inc.*, 754 Fed. Appx. 235, 239 (5th Cir. 2018) (citing *Wagstaff v. U.S. Dep’t of Educ.*, 509 F.3d 661, 663 (5th Cir. 2007)). “When a Rule 12(b)(1) motion is filed in conjunction with other Rule 12 motions, the court should consider the jurisdictional attack before addressing any attack on the merits.” *Ramming*, 281 F.3d at 161. In analyzing a motion to dismiss under Rule 12(b)(1), a court may consider: (1) the complaint alone; (2) the complaint supplemented by undisputed facts or evidence in the record; or (3) the complaint supplemented by undisputed facts plus the court’s resolution of disputed facts. *Id.*

II. Collateral Attack

A collateral attack is “[a]n attack on a judgment in a proceeding other than a direct appeal.” *Collateral Attack*, BLACK’S LAW DICTIONARY (12th ed. 2024). The Fifth Circuit bars collateral attacks on judgments rendered in judicial and quasi-judicial (*e.g.*, arbitration) proceedings. *See Tex. Brine Co. v. Am. Arb. Ass’n*, 955 F.3d 482, 487–90 (5th Cir. 2020); *Gulf Petro Trading Co. v. Nigerian Nat’l Petroleum Corp.*, 512 F.3d 742, 747–50 (5th Cir. 2008). In the context of arbitration, the Fifth Circuit has explained that a plaintiff may “be engaged in collateral attacks even though [he or she] d[oes] not attempt to relitigate the facts and defenses of the underlying disputes that had prompted arbitration, but instead . . . alleg[es] that wrongdoing . . . tainted the arbitration proceedings and caused unfair awards.” *Gulf Petro*, 512 F.3d at 750. Thus, “[t]he test for a collateral attack is not merely whether the claims [in the present suit] ‘attempt to relitigate the facts and defenses that were raised in the prior arbitration.’” *Tex. Brine*, 955 F.3d at 488 (quoting *Gulf*

Petro, 512 F.3d at 749–59). Instead, courts “look to ‘the relationship between the alleged wrongdoing, purported harm, and arbitration award.’” *Id.* (quoting *Gulf Petro*, 512 F.3d at 749).

ANALYSIS

I. Defendants’ Joint Motions to Dismiss Pursuant to Rules 12(b)(1) and 12(b)(6) and Related Request for Judicial Notice of Public Documents (Docket No. 15)

Plaintiff complains that Defendants’ scheme involved submitting ineligible claims for IDR under both the No Surprises Act (“NSA”) and Texas law. The Court first considers Plaintiff’s claims in the context of the NSA and federal law before turning to Plaintiff’s claims related to the Texas IDR process.

A. The NSA’s Statutory Bar to Judicial Review of IDR Awards and Collateral Attack

1. The Federal IDR Process

In 2020, Congress passed the NSA to combat predatory healthcare price billing. Docket No. 2 (Complaint) at ¶¶ 33–34. Among other things, the NSA established an IDR process to resolve claims between out-of-network providers and health plans. *Id.* at ¶ 36. The NSA requires the Departments of Health and Human Services, Labor, and Treasury (the “Departments”) to promulgate regulations establishing procedures for IDR. 42 U.S.C. § 300gg-111(c)(2).

To be eligible for IDR, the items and services at issue must fall within the NSA’s scope (*e.g.*, services must be rendered by an out-of-network provider). Docket No. 2 (Complaint) at ¶ 37. The party requesting IDR must provide information related to eligibility and attest that the items and services meet the eligibility requirements. *Id.* at ¶ 40. The party responding to the IDR has an opportunity to dispute eligibility. *See* Docket No. 15 at 10 (“If the non-initiating party believes that the Federal IDR Process is not applicable, the non-initiating party must notify the Departments by submitting the relevant information through the Federal IDR portal as part of the certified IDR entity selection process.” (quoting Docket No. 15-5 at 7)). According to Defendants,

“[i]n 2024, non-initiating parties objected to IDR eligibility 44% of the time, but only 19% of disputes were determined to be ineligible.” *Id.* at 11–12. In fact, Plaintiff acknowledges it challenged the eligibility of at least a portion of the underlying items and services at issue in its IDRs with HaloMD. Docket No. 2 (Complaint) at ¶¶ 109–10, 123, 147.

Within three to six days after an IDR is initiated, the Departments randomly select an IDR entity absent an agreement by the parties. Docket No. 15-4 at 6. Once an IDR entity is selected, the entity has three days to “determine whether the Federal IDR Process is applicable, thereby finalizing the selection.” *Id.* The parties then submit their offers and pay the IDR entity and any administrative fees. *Id.* Within 30 days of the selection of the IDR entity, the entity must determine the payment amount for the item or service and select one of the parties’ competing offers. *Id.* As Plaintiff explains, the IDR entity’s “decision is then binding upon the parties, subject to limited judicial review, and the non-prevailing party is responsible for administrative and IDR [entity] fees.” Docket No. 2 (Complaint) at ¶ 38(g) (citing 42 U.S.C. § 300gg-111(c)(5)(F)). Indeed, the NSA provides that IDR decisions “shall not be subject to judicial review, except in a case described in any of paragraphs (1) through (4) of section 10(a)” of the Federal Arbitration Act. 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II).

2. Analysis

Defendants contend that IDR decisions are generally not judicially reviewable and therefore Plaintiff’s claims should be dismissed. Docket No. 15 at 15. Specifically, Defendants argue that the NSA’s bar on judicial review prevents the Court from considering Plaintiff’s claims altogether. *Id.* at 15–16. Defendants also aver that the collateral attack doctrine bars Plaintiff’s claims because the claims would require the parties to “re-adjudicat[e] the ‘over 42,000’ individual IDR disputes [Plaintiff] claims were wrongfully procured and decided.” *Id.* at 16.

Plaintiff argues that the NSA’s statutory bar against judicial review does not preclude their claims because the NSA only prevents review of “payment determination[s],” not eligibility decisions. Docket No. 21 at 9–10 (citing 42 U.S.C. § 300gg-111(c)(5)(E)). According to Plaintiff, “[t]here is no indication—let alone a ‘clear and convincing’ one—that Congress intended to foreclose judicial review of Defendants’ eligibility scheme in the Federal IDR Process.” *Id.* at 10. Plaintiff explains that “[a]lthough the IDR process differ[s] in important respects from arbitration, . . . courts routinely decide whether a dispute is arbitrable.” *Id.* at 12. It argues that the same is true with respect to IDR eligibility. *Id.* Plaintiff further contends that it “is not seeking damages that it sought but failed to procure in the underlying IDR proceedings.” *Id.* at 13. Instead, Plaintiff claims it “seeks damages related to costs for the overhead and resources necessary for [it] to respond to Federal and Texas IDR Processes and administrative fees and costs imposed on [it] as part of the Federal and Texas IDR Processes,” neither of which it could recover in the IDR proceedings. *Id.* at 14. Therefore, according to Plaintiff, its claims are “necessarily not a collateral attack on [the IDR] proceedings.” *Id.*

The Court agrees with Defendants that the NSA forecloses judicial review. The NSA expressly states that “[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 [(FAA § 10 (a)).” 42 U.S.C. § 300gg-111(c)(5)(E)(i). The determination under subparagraph (A) includes selecting “one of the offers submitted under subparagraph (B) to be the amount of payment **for such item or service determined under this subsection for purposes of subsection (a)(1) or (b)(1), as applicable.**” *Id.* § 300gg-111(c)(5)(A) (emphasis added). Such a determination “shall be binding upon the parties involved, in the absence of a fraudulent claim or evidence of misrepresentation of facts presented to the” IDR entity. *Id.* at

300gg-111(c)(5)(E)(i). Thus, the NSA prevents this Court from reviewing the more than 42,000 IDR awards at issue in Plaintiff’s suit. *See Guardian Flight, L.L.C v. Health Care Serv. Corp.*, 140 F.4th 271, 275 (5th Cir. 2025) (“The NSA expressly bars judicial review of IDR awards *except* as to the specific provisions borrowed from the FAA. . . . The district court correctly reasoned that this bar on judicial review strongly suggests Congress did not insert a private right of action into the statute.”).

Plaintiff offers two reasons why it believes the NSA’s bar on judicial review is inapplicable. First, Plaintiff contends that the bar only applies to “payment determination[s],” not eligibility decisions. Docket No. 21 at 9. Second, Plaintiff argues that its claims are not a collateral attack on the IDR awards and the relief they seek is outside the scope of the NSA’s bar on judicial review. *Id.* Neither of these arguments is persuasive.

First, inherent in the NSA’s bar of judicial review of payment determinations is a limitation on the review of eligibility decisions. If the Court were to conclude that the items and services submitted for payment by Defendants were ineligible under the NSA, then the ultimate payment awards would necessarily be called into question. *See Anthem Blue Cross Life and Health Ins. Co., et al. v. HaloMD, LLC, et al.*, No. 8:25-cv-01467-KES (C.D. Cal. Apr. 9, 2026), ECF No. 135 at 14 (concluding that “Plaintiffs’ other fraud-based claims, like RICO, could not be litigated without deciding whether Defendants made false eligibility attestations, a decision that would necessarily re-examine eligibility determinations made by IDREs.”). In addition, although Plaintiff argues that the only determination made by the IDR entity is “the amount of payment,” its reading of the statute is too narrow because subparagraph (A) also makes clear that the amount of payment is “a determination for a qualified IDR item or service.” 42 U.S.C. § 300gg111(c)(5)(A). This suggests

that Congress did not intend to impliedly provide an avenue for challenging eligibility decisions while expressly foreclosing judicial review of the IDR entities' payment determinations.

The cases on which Plaintiff relies to argue that there is no indication that Congress intended to foreclose judicial review of Defendants' eligibility scheme are inapposite. Each of the cases addresses the legal standard for determining whether Congress intended to prevent judicial review of administrative action, but they are not relevant because the dispute between the parties does not involve a federal agency's decision. *See Mach Mining, LLC v. EEOC*, 575 U.S. 480, 486–89 (2015) (judicial review of whether the Equal Employment Opportunity Commission complied with its duty to attempt conciliation of employment discrimination claims); *Guerrero-Lasprilla v. Barr*, 589 U.S. 221, 225–27 (2020) (judicial review of Board of Immigration Appeals' decisions on requests for equitable tolling of deadlines for filing statutory motions to reopen); *Reno v. Cath. Soc. Servs., Inc.*, 509 U.S. 43, 63–64 (1993) (judicial review of Immigration and Naturalization Service determinations respecting illegal aliens' applications for adjustment of status under an alien legalization program). Yet, as Plaintiff points out, “Defendants’ misrepresentations in the IDR Processes were not legitimate government petitioning activities. They were made in the course of **‘private adjudications’ overseen by private companies.**” Docket No. 21 at 35–36 (emphasis added). The cases on which Plaintiff relies are therefore inapplicable since Plaintiff is not challenging administrative actions.

Second, Plaintiff’s claims are an impermissible collateral attack on the IDR awards.

Plaintiff claims it is “not seeking damages that it sought but failed to procure in the underlying IDR proceedings.” And yet, at the hearing on Defendants’ motion, Plaintiff explained its requested damages as follows:

We are not challenging the calculation of th[e] awards. We’re saying th[e] awards were obtained through fraud. **So one of our remedies is seeking damages for th[e]**

fraudulently obtained awards. But in addition, we’re seeking damages for the administrative fees and also for the costs and expenses we went through in building out an entire team to respond to this ineligible scheme.

Docket No. 53 at 68:19–69:4 (emphasis added). Based on Plaintiff’s own interpretation of its request for damages, it seeks payment that is largely co-extensive with the losses it allegedly sustained in the form of IDR awards decided against it.³ The question then is whether Plaintiff’s claims can still constitute a collateral attack on the IDR awards even if it seeks administrative fees, costs, and expenses in “building out an entire team to respond to th[e] ineligible scheme.” *Id.* The Court concludes that they can.

The Fifth Circuit’s opinion in *Gulf Petro Trading Company, Inc. v. Nigerian National Petroleum Corporation* is instructive. 512 F.3d 742 (5th Cir. 2008). The plaintiff brought suit in the Eastern District of Texas alleging that a final award in an arbitration held in Switzerland was procured by fraud, bribery, and corruption and seeking to vacate award. *Id.* at 745. The plaintiff argued that its “RICO and state law claims [were] not disguised attempts to vacate or attack” the final arbitration award because “the claims it advances and relief it seeks are analytically distinct from vacatur.” *Id.* at 747, 750. Relying on Sixth Circuit cases involving collateral attacks on domestic arbitration awards,⁴ the Fifth Circuit concluded:

³ Indeed, each of Plaintiff’s claims refers to the impact of Defendants’ alleged actions on the ultimate IDR awards. *See, e.g.*, Docket No. 2 (Complaint) at ¶¶ 222, 242 (explaining regarding Plaintiff’s fraud and negligent misrepresentation claims that “[b]ut for [HaloMD’s] misrepresentations, HaloMD would not have been able to initiate Federal or Texas IDRs for ineligible claims[.]”); *see also id.* at ¶¶ 226, 243, 262, 287, 307, 322 (explaining regarding each of Plaintiff’s claims that Defendants would have been unable to “obtain awards” for ineligible items and services absent Defendants’ alleged conduct).

⁴ In *Corey v. New York Stock Exchange*, the Sixth Circuit explained that a plaintiff’s “claims constitute a collateral attack against the award even though [the plaintiff] is . . . requesting damages for the acts of wrongdoing rather than the vacation, modification or correction of the arbitration award.” 691 F.2d 1205, 1213 (6th Cir. 1982). Similarly, in *Decker v. Merrill Lynch, Pierce, Fenner & Smith, Inc.*, the Sixth Circuit affirmed a district court’s order dismissing the case because the “ultimate objective in this damages suit is to rectify the alleged harm [the plaintiff] suffered by

The relief Gulf Petro seeks—the award it believes it should have received, as well as costs, expenses, and consequential damages stemming from the unfavorable award it did receive—shows that its true objective in this suit is to rectify the harm it suffered in receiving the unfavorable Final Award. . . . Though cloaked in a variety of federal and state law claims, Gulf Petro’s complaint amounts to no more than a collateral attack on the Final Award itself.

Id. at 750 (emphasis added). The Fifth Circuit ultimately decided that the case was properly dismissed for lack of subject matter jurisdiction. *Id.* at 753.

So too here. The alleged harm in this case did not result when Defendants submitted items and services for payment under the NSA or when the IDR entities determined that those items or services were eligible for IDR. Rather, the alleged harm resulted from the impact that such submissions and decisions had on the IDR entities’ ultimate payment determinations.⁵ Plaintiff makes this clear in its sur-reply to Defendants’ motion in which it states that Defendants’ alleged “scheme has allowed HaloMD to wrongly obtain awards its clients’ were never entitled to in the first place, while also causing [Plaintiff] to incur substantial economic harms as a result of the fees, costs, and time that must be (wrongly) allocated to the IDR process for these ineligible submissions.” Docket No. 39 at 2 (citing Docket No. 2 (Complaint) at ¶ 12). Plaintiff’s attempts to distance its claims and damages from the IDR awards is therefore unpersuasive. Further, the

receiving a smaller arbitration award than she would have received in the absence of the chairperson’s relationship with [the defendant]” and thus the plaintiff “did not follow the proper procedure for challenging her arbitration award under the FAA.” 205 F.3d 906, 910–11 (6th Cir. 2000).

⁵ The Court also notes that Plaintiff’s interpretation of the statute would lead to untenable results. Assuming, *arguendo*, that Plaintiff were to prevail on its claims, the more than 42,000 IDR awards would remain intact. Thus, the predominant source of damages Plaintiff seeks would only serve to cancel out the amounts it would still owe the out-of-network healthcare providers pursuant to the awards. *Cf. Aetna Health Inc, et al. v. Radiology Partners, Inc., et al.*, No. 3:24-CV-1343 (M.D. Fla. Apr. 16, 2026) (“Allowing Aetna to recover for the IDR awards above what it otherwise would have paid would have the same effect as discarding the administrative process established by Congress.”), ECF No. 105 at 9. This further demonstrates why the Plaintiff’s claims are merely a collateral attack on the IDR awards.

collateral attack doctrine is even more clearly applicable where, as here, Plaintiff *is* attempting to relitigate issues previously decided by the IDR entities (*i.e.*, the eligibility of certain items and claims under the NSA).

Plaintiff's reliance on *Rein v. Providian Financial Corporation* is unpersuasive. Docket No. 39 at 3 (citing 270 F.3d 895, 902 (9th Cir. 2001)). There, the plaintiffs were debtors in separate Chapter 7 bankruptcy proceedings who owed a creditor various amounts in credit card debts. *Id.* at 897. One of the plaintiffs, Frenette, signed an agreement reaffirming the amount he owed the creditor, and the agreement was filed with the bankruptcy court. *Id.* at 898. The plaintiffs later filed suit against the creditor, alleging violations of the automatic stay and discharge provisions of the Bankruptcy Code. *Id.* The district court dismissed the case because, in part, the collateral attack doctrine prevented Frenette from attacking the approval of the reaffirmation agreement in a separate judicial proceeding. *Id.* However, the Ninth Circuit reversed as to Frenette because his "claims were never addressed by a prior order or judgment" and "no adverse proceeding ever was instituted against him." *Id.* at 902.

This case is distinguishable. Plaintiff does not dispute that HaloMD initiated IDR proceedings to resolve payment disputes for certain items and services, nor that the disputes were decided adversely to Plaintiff. In addition, a key issue running through all of Plaintiff's independent causes of action—the eligibility of certain items or services for IDR under the NSA—was decided by the IDR entities, and Plaintiff does not dispute that it had an opportunity to challenge eligibility throughout those proceedings.

Plaintiff also argues that it is "attacking Defendants' [allegedly] fraudulent scheme as a whole," which extends beyond any individual proceeding and is ongoing. Docket No. 39 at 3. However, Plaintiff has not cited any authority suggesting a complaint attacking many IDR or

arbitration awards simultaneously would be immune from the collateral attack doctrine.⁶ Further, the Fifth Circuit rejected a similar argument regarding a “scheme” in *Gulf Petro*. 512 F.3d at 747 (rejecting the plaintiff’s contention that “it has alleged a pattern of racketeering and conspiratorial conduct that, while arising in the context of arbitration proceedings, constitutes an independent violation of federal and state law and compels relief analytically distinct from vacatur.”).

Plaintiff further contends that “IDR proceedings are not true arbitrations, so the collateral attack doctrine should not apply at all in this context.” Docket No. 39 at 3. Plaintiff does not provide any authority for this argument. Rather, Plaintiff points to a series of characteristics that it believes distinguish IDR proceedings from arbitration, including that “arbitration is voluntary, pursuant to mutual agreement, and permits parties to define the scope of the proceedings.” *Id.* at 6. None of these differences, however, changes the fact that Congress expressly prohibited judicial review of IDR awards and did not provide a private right of action to enforce or challenge such awards. In addition, Plaintiff exaggerates the distinction between IDR proceedings and arbitration.

The Fifth Circuit has explained:

Like judges and arbitrators, [Certified Independent Dispute Resolution Entities] are neutral arbiters of payment disputes with no stake in the underlying controversy.

⁶ Plaintiff’s complaint contains numerous discussions of the alleged inefficiency and perceived unfairness of the IDR process. *See, e.g.*, Docket No. 2 (Complaint) at ¶ 3 (explaining that “[t]hese IDR Processes have not worked as intended.”); *id.* at ¶ 67 (explaining that “it was estimated that there would be approximately 17,435 disputes submitted to the Federal IDR Process each year,” but that “[t]hose estimates turned out to be a drastic underestimate.”); *id.* at ¶ 69 (explaining that “providers [are] winning a disproportionate amount of these disputes” and the providers are receiving “unreasonably high rates”); *id.* at ¶ 72 (explaining that “[r]esearchers have commented that ‘absent corrective action from policymakers, patients will ultimately bear the cost through higher premiums and the administrative overhead of an increasingly exploited arbitration process.’ ” (quoting Lawson Mansell & Sage Mehta, Niskanen Center, *New data shows No Surprises Act arbitration is growing healthcare waste*, (June 18, 2025), Available at: <https://www.niskanencenter.org/new-data-shows-no-surprises-act-arbitration-is-growing-healthcare-waste/>)). However, these complaints are not proper issues for the Court to resolve, and they further demonstrate why Plaintiff’s complaints are more appropriately addressed to policymakers in Congress and the Texas legislature.

They receive competing offers for payment, consider information supporting the offers, and then choose one of the offers, which is binding on the providers and insurers. 42 U.S.C. § 300gg-112(b)(4), (b)(5). CIDREs, in sum, function more or less exactly like arbitrators.

Guardian Flight, LLC v. Med. Evaluators of Tex. ASO, LLC, 140 F.4th 613, 623 (5th Cir. 2025).

Thus, the Court is unpersuaded that the collateral attack doctrine applies with any less force to attacks on IDR awards based on the differences Plaintiff has identified.

Plaintiff finally argues that it seeks prospective relief and that it “cannot possibly ‘collaterally attack’ IDRs that have not yet been commenced.” Docket No. 21 at 14; *see also* Docket No. 39 at 5 (“BCBSTX also seeks relief that is entirely different than that available through the IDR Processes, including an injunction prohibiting future misconduct.”). While this may be true, Plaintiff’s request for an injunction is a remedy rather than an independent cause of action. *See Doe v. Univ. of N. Tex.*, No. 4:18-CV-17, 2018 WL 6495084, at *9 n.10 (E.D. Tex. Nov. 20, 2018), *report and recommendation adopted sub nom. Jon Unt-Rs Doe v. Univ. of N. Tex.*, No. 4:18-CV-17, 2018 WL 6446469 (E.D. Tex. Dec. 10, 2018) (collecting cases and explaining that “Federal courts recognize an injunction is a remedy, not a separate claim or cause of action; a pleading can request injunctive relief in connection with a substantive claim, but a separately plead claim or cause of action for injunctive relief is inappropriate.”). This is confirmed by Plaintiff’s complaint, which states that Plaintiff “seeks an injunction prohibiting Defendants from continuing to submit false attestations and initiate Federal and State IDR Processes for claims, items, or services that are not eligible for IDR, or from seeking to enforce non-binding awards entered on items and services not eligible for IDR.” Docket No. 2 (Complaint) at ¶ 341. Plaintiff’s request for an injunction therefore does not constitute an independent cause of action and is inextricably intertwined with its other claims.

Based on the foregoing, Plaintiff’s Claims I–VII with respect to Defendants’ submission of items and services for Federal IDR are **DISMISSED WITH PREJUDICE** for lack of subject-matter jurisdiction.

B. The Texas Insurance Code’s Limit on the Judicial Review of IDR Awards and Collateral Attack

The Court’s analysis concerning the NSA and the federal IDR process, *supra* Section I.A.2, also applies to Plaintiff’s causes of action related to the Texas IDR process. However, the parties’ specific arguments related to the Texas IDR awards are addressed below.

1. The Texas IDR Process

Prior to the adoption of the NSA, the Texas legislature passed Senate Bill 1264 in 2019 to establish an “Out-of-Network Claim Dispute Resolution” process. Docket No. 2 (Complaint) at ¶¶ 51, 53 (citing, for example, Tex. Ins. Code §§ 1467.050 and 1467.081). The statute directs the Texas Commissioner of Insurance to “adopt rules, forms, and procedures necessary for the implementation and administration of the arbitration program.” Tex. Ins. Code § 1467.082. The parties to a Texas IDR may agree on an arbitrator; otherwise the Commissioner will select one to preside over the dispute. *Id.* at § 1467.086(a).

The statute provides that “[t]he only issue that an arbitrator may determine under this subchapter is the reasonable amount for the health care or medical services or supplies provided to the enrollee by an out-of-network provider.” *Id.* at § 1467.083. The Texas Department of Insurance, rather than the arbitrator, is responsible for determining the eligibility of items and services for IDR. Docket No. 21 at 16 n.8 (“Instead, it is the TDI, not the TDI neutral, who determines eligibility.” (citing Tex. Ins. Code § 1467.081)). An arbitrator’s determination of the reasonable amount for the health care or medical services or supplies is binding. Tex. Ins. Code § 1467.089(a). “Not later than the 45th day after the date of an arbitrator’s decision . . . a party not

satisfied with the decision may file an action to determine the payment due to an out-of-network provider.” *Id.* at § 1467.089(b).

Unlike the NSA, Senate Bill 1264 does not limit judicial review of an arbitrator’s decision to the mechanisms provided in the Federal Arbitration Act. Instead, the statute limits the reviewing court’s determination to “whether the arbitrator’s decision is proper based on a substantial evidence standard of review.” *Id.* at § 1467.089(a).

2. Analysis

Defendants argue that, similar to federal IDR awards, Texas IDR awards are binding arbitrator decisions and judicial review is strictly limited. Docket No. 15 at 18. Specifically, Defendants note that a dissatisfied party has 45 days from the date of the arbitrator’s decision to file a suit for judicial review and that “ ‘determining the amount that an out-of-network provider should be paid by an insurer is a technical exercise to be performed by a subject-matter expert—not an issue to be decided by a jury of laymen.’ ” *Id.* (quoting *Tex. Med. Res., LLP v. Molina Healthcare of Tex., Inc.*, 659 S.W.3d 424, 436 (Tex. 2023)). In addition, Defendants contend that “[r]egardless of who decides eligibility, that decision necessarily precedes and leads to the Texas IDR arbitrator’s payment decision.” Docket No. 28 at 9. According to Defendants, allowing Plaintiff “to seek effective vacatur” of the Texas IDR awards based on eligibility or other grounds would “eviscerate” the statute’s limitations on judicial review. *Id.* at 9–10.

Plaintiff argues that “[n]o part of the arbitrator’s decision under Section 1467.088 relates to eligibility,” Docket No. 21 at 16. Further, Plaintiff contends that, under Defendants’ interpretation, “the statute’s text restraining the time bar to a[n arbitrator’s] ‘decision under Section 1467.088’ would be rendered superfluous.” *Id.* In any event, Plaintiff argues it is “not challenging whether the awarded amount, in any IDR, was ‘the closest to the reasonable amount for the services or supplies.’ ” Docket No. 39 at 7.

The Court agrees with Defendants. The Texas Insurance Code gives a dissatisfied party 45 days to file a suit challenging an arbitrator's determination. Tex. Ins. Code § 1467.089(b). Even if the dissatisfied party files such a case as allowed under Section 1467.089(b), the reviewing court's determination is limited to "whether the arbitrator's decision is proper based on a substantial evidence standard of review." *Id.* at § 1467.089(a). The decision referred to in Section 1467.089(b) is the arbitrator's determination of "the reasonable amount for the health care or medical services or supplies provided to the enrollee by an out-of-network provider." *Id.* at § 1467.083.

As with Plaintiff's claims related to the federal IDR awards, Plaintiff's claims related to Defendants' alleged conduct in the Texas IDR process constitute collateral attacks on the Texas IDR awards. While the Texas Insurance Code does not limit judicial review in the same manner as the NSA, it (1) limits the scope of what the reviewing court may consider (*i.e.*, the arbitrator's decision), and (2) prescribes the standard of review that the court must apply. *Id.* at § 1467.089(c). If the Court were to conclude that the items and services submitted for payment by Defendants were ineligible, then the arbitrators' decisions about the reasonable amounts owed would necessarily be called into question. As explained with regard to the federal IDR process, *supra* Section I.A.2, the Court is unpersuaded that the collateral attack doctrine does not apply simply because Plaintiff's claims indirectly challenge thousands of awards rather than one particular award.

Plaintiff's argument that Defendant's interpretation of the Texas Insurance Code would render the 45-day limit superfluous is unpersuasive. The Texas legislature explicitly provided a limited private right of action for a dissatisfied party to challenge the arbitrator's determination of the reasonable amount for the items and services at issue. It further gave the dissatisfied party 45 days to exercise that right. The logical inference from the Texas legislature's limitation on judicial

review of the Texas IDR awards is that it did not intend to provide a mechanism for a dissatisfied party to challenge the award on other grounds, including eligibility. Indeed, it is Plaintiff's interpretation that would render the Texas legislature's limits on judicial review superfluous because it would allow a dissatisfied party to challenge a Texas IDR award for any reason and without a time constraint so long as the dissatisfied party did not challenge the reasonableness of the award. Plaintiff offers no evidence that this was the Texas legislature's intent.

Based on the foregoing, Plaintiff's Claims I–VII with respect to Defendants' submission of items and services for Texas IDR are **DISMISSED WITH PREJUDICE** for lack of subject-matter jurisdiction.

C. Defendants' Remaining Arguments

Because the Court concludes that it lacks subject matter jurisdiction pursuant to the NSA, SB 1264, and the collateral attack doctrine, it does not reach the merits of Defendants' arguments regarding Article III standing, the *Noerr-Pennington* Doctrine, and Rules 9(b) and 12(b)(6).

II. Defendants' Motion to Stay Discovery Pending Resolution of Defendants' Rules 12(b)(1) and 12(b)(6) Motions to Dismiss (Docket No. 31)

Defendants request that the Court stay discovery pending the resolution of their motion to dismiss. Docket No. 31 at 1. However, because the instant Order disposes of the motion to dismiss (Docket No. 15), Defendants' request is no longer applicable. Thus, the motion to stay (Docket No. 31) is **DENIED-AS-MOOT**.

CONCLUSION

For the foregoing reasons, Defendants HaloMD, LLC, Alla LaRoque, and Scott LaRoque's Joint Motions to Dismiss Pursuant to Rules 12(b)(1) and 12(b)(6) and Related Request for Judicial Notice of Public Documents (Docket No. 15) is **GRANTED**, and Defendants' Motion to Stay

Discovery Pending Resolution of Defendants' Rules 12(b)(1) and 12(b)(6) Motions to Dismiss (Docket No. 31) is **DENIED-AS-MOOT**.

So ORDERED and SIGNED this 22nd day of May, 2026.


ROBERT W. SCHROEDER III
UNITED STATES DISTRICT JUDGE