IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF NEW JERSEY

Horizon Healthcare Services, Inc., d/b/a Horizon Blue Cross Blue Shield of New Jersey, Plaintiff, v. M&D Capital Premier Billing, LLC, d/b/a Alteva RCM, Defendant.	Civil Action No.

COMPLAINT

Plaintiff Horizon Blue Cross Blue Shield of New Jersey ("Horizon") submits the following complaint against Defendant M&D Capital Premier Billing, LLC, d/b/a Alteva RCM, f/k/a M&D Capital Advisors LLC ("M&D Capital"). Based on personal knowledge as to the facts pertaining to its investigation, and upon information and belief as to all other matters, Horizon hereby alleges as follows:

INTRODUCTION

1. M&D Capital has built a business around a simple but lucrative bet: that it can repeatedly initiate independent dispute resolution ("IDR") proceedings pursuant to the federal No Surprises Act ("NSA") for knowingly ineligible disputes, generate millions of dollars from those ineligible disputes that its provider clients could never otherwise obtain for their services, and pocket a substantial percentage of every dollar collected—all without getting caught. The bet has paid off. This action is Horizon's answer.

2. M&D Capital is a "healthcare advisory firm" that works with physicians, professional groups, and ambulatory surgery centers to "maximiz[e] their financial outcomes."[1] The company works with providers to maximize out-of-network revenue by (1) price gouging health plans with abusive claims and billing practices, (2) pushing as many services as possible through the IDR process,

[1] *Alteva RCM*, M&D Capital, available at https://www.altevarcm.com/about/.

regardless of whether the services qualify for IDR, and (3) seeking the highest possible monetary award for its provider clients in the IDR process. Because it collects a percentage of all out-of-network revenue, M&D Capital has a powerful financial incentive to push as many services as possible through the IDR process, regardless of the merits or the applicability of the NSA, and to seek the highest possible monetary award.

3. Key to Defendants' illegal scheme is the No Surprises Act's IDR process. Congress enacted the NSA, effective January 1, 2022, to protect consumers from surprise medical bills. In addition to those protections, the NSA created a framework for health plans and providers to resolve specific types of eligible surprise billing disputes, consisting of: (1) open negotiation (a required 30-business-day period to try resolving the dispute informally); (2) an IDR process for "qualified IDR items and services" if no agreement is reached; and (3) if applicable, a payment determination from private companies called certified IDR entities ("IDREs"). M&D Capital advertises that it will "navigat[e] the Federal No Surprises Act (NSA)" to "secur[e] the best possible financial outcomes" for its clients. Until earlier this year, it advertised: "IT'S LIKE TAPPING INTO A NEW REVENUE STREAM!"[2]

4. Critically, the IDR process is only available for a "qualified IDR item or service," subject to strict criteria. *See* 42 U.S.C. § 300gg-111(c)(1); 45 C.F.R. §

149.510(a)(2)(xi), (b)(1), (b)(2). Central among those limiting criteria is the role of state law. Congress enacted the NSA to supplement state laws, not replace them. A dispute is not eligible for the federal IDR process where a state surprise billing law—referred to as a "specified state law" in the NSA—determines the out-of-network reimbursement rate. *See* 42 U.S.C. § 300gg-111(a)(3)(H)–(K), (c)(1); 45 C.F.R. § 149.510(a)(2)(xi)(A). The New Jersey Out-of-Network Consumer Protection, Transparency, Cost Containment, and Accountability Act, N.J.S.A. §§ 26:2SS-1, *et seq.* (the "New Jersey OON Act"), is one such specified state law. Providers (and their third-party billers like M&D Capital) know whether the New Jersey OON Act applies—including from the member's insurance information collected at the point of service and from the health plan's explanation of payment—and that, if it does, the services are not eligible for dispute through the IDR process.

5. To police IDR eligibility, the government created an honor system through which initiating parties self-certify dispute eligibility. Before initiating the IDR process, providers and their agents must affirmatively attest "that the items and services under dispute are qualified IDR items or services" within the scope of the IDR process—including that there is no applicable specified state law. 45 C.F.R. § 149.510(b)(2)(iii)(6). With this attestation requirement, providers and their agents have the duty and responsibility to confirm eligibility before initiating the IDR

process. Once they attest to eligibility, the dispute automatically enters IDR and is transferred to an IDRE.

6. IDRE fee structures and financial incentives do not align with neutral and unbiased outcomes. IDREs are only compensated when a dispute reaches a payment determination; they receive no compensation if they find a dispute is ineligible for IDR, and no compensation for time spent evaluating eligibility. Thus, IDREs are financially disincentivized from investigating eligibility or finding disputes ineligible. *See* 42 U.S.C. § 300gg-111(c)(5)(F).

7. Due to heavily skewed results stemming from misaligned IDRE financial incentives, the IDR process is far more lucrative for providers than the New Jersey OON Act. In the most recent reporting period, providers prevailed in 88% of IDR payment determinations. For line items in which the provider prevailed, CMS reports that the median payment determination was anywhere from 173% to 591% of the qualifying payment amount ("QPA"), depending on the amount in question. But providers cannot choose which process to pursue; if the New Jersey OON Act applies, the dispute is ineligible for IDR.

8. Nevertheless, M&D Capital has deliberately exploited this dynamic. For many services covered by the New Jersey OON Act, M&D Capital simultaneously pursues both the state and federal dispute resolution processes, with the less lucrative state process designed as a backstop in case the ineligible disputes

are rejected from IDR. When they are not dismissed from IDR, M&D Capital strategically withdraws the state arbitrations—including, in some cases, after receiving a ruling in the state process. The disparity between what M&D Capital demands in each forum lays bare its motive: in one case, M&D Capital requested 8% of billed charges in the state process and ultimately lost, with the New Jersey arbitrator finding Horizon's lower payment more reasonable. Yet for a related service line on the same claim, M&D Capital requested and received an award of approximately 94% of billed charges in IDR.

9. The billing practices of providers affiliated with M&D Capital are equally exploitative. M&D Capital counsels these providers to bill outrageously high amounts for their services because it knows higher charges will ultimately increase its recovery through IDR. Affiliated providers also bill as many service codes as possible related to a single patient encounter, since each service code presents another opportunity for M&D Capital to recover the associated charges in IDR. For example, in one claim M&D Capital submitted to IDR, the provider billed $725,883.20 and nine separate service codes for a breast reconstruction surgery. M&D Capital-affiliated providers also frequently bill for assistant surgeon services, which are customarily reimbursed at 16% of the primary surgeon's rates given the much more minor role performed by assistant surgeons. But M&D Capital submits these claims to IDR and receives undiscounted awards; for instance, one provider

billed $252,529.21 (*i.e.*, primary surgeon rates) for assistant surgeon services related to a single back surgery service code, and M&D Capital ultimately recovered an astounding $245,000 for that provider in IDR.

10. M&D Capital has illegally secured millions of dollars from Horizon for ineligible services. And, as a result of M&D Capital's unlawful conduct, Horizon, its affiliated health plans, and self-insured group plan sponsors have incurred unnecessary administrative costs and fees, including a $115 fee whenever M&D Capital filed an ineligible dispute, as well as a fee ranging from $268 to $1,173 when M&D Capital wins in an ineligible dispute.

11. Because M&D Capital has been able to pursue its illegal scheme successfully and without consequence, M&D Capital has every incentive to keep this scheme running. Horizon asserts claims for: (i) violation of the New Jersey Insurance Fraud Prevention Act ("IFPA") N.J.S.A. §§ 17:33a-1 *et seq*.; (ii) ERISA equitable relief under 29 U.S.C. § 1132(a)(3); (iii) unjust enrichment; and (iv) vacatur of IDR payment determinations (a claim Horizon brings in the alternative), and (v) declaratory and injunctive relief. M&D Capital's conduct violated and continues to violate multiple laws. Horizon brings this action to stop it.

PARTIES

Horizon

12. Plaintiff Horizon is New Jersey's largest health plan, operating under Subtitle 3 of Title 17B of the New Jersey Statutes. Horizon is incorporated in New Jersey. Its principal place of business is 3 Penn East Plaza, Newark, New Jersey.

13. Horizon offers a broad range of health care and related plans, insurance contracts, and services to its plan sponsors and members who enroll in a Horizon plan. Horizon administers claims and benefits for several different types of health care plans relevant to this Complaint.

14. First, Horizon issues and administers health insurance policies, whereby Horizon collects premiums and is financially responsible for any benefits paid out under the plan terms or pursuant to law. Horizon sells these products either directly to consumers or to employer groups who offer coverage to their employees but do not themselves insure the loss under the plan. These products are typically subject to New Jersey state laws and regulations, including the New Jersey OON Act.

15. Second, Horizon administers self-funded plans, typically offered by large employers to their employees. These employers self-insure the plan and are financially responsible for any payment of benefits or other losses. Because employers often lack infrastructure to provide health insurance to their employees,

these plans contract with Horizon to provide administrative services, such as provider network development, customer service, claims pricing and adjudication, and investigating, preventing, and recovering for waste, fraud, and abuse perpetrated against the plans. These plans typically delegate discretionary authority to Horizon to arrange for the administration of the IDR process on behalf of the plans. The plans usually (though not always) reimburse Horizon for any awards resulting from IDR. They are subject to ERISA and federal law, although they may opt into following certain state insurance laws, including the New Jersey OON Act.

16. Third, pursuant to the BlueCard program, Horizon acts as a "Host Plan" to other independent Blue Cross and/or Blue Shield "Home Plans" whose members obtain treatment from providers in Horizon's service area in New Jersey. As a Host Plan, Horizon manages and participates in IDR proceedings that are initiated by providers in Horizon's New Jersey service area for non-Horizon Home Plans.

M&D Capital

17. Defendant M&D Capital is a New York limited liability company. M&D Capital recently rebranded as Alteva RCM.[3] Upon information and belief, M&D Capital does or has done business as, is the successor to, and/or shares ownership, office space, and operations with: M&D Capital Advisors LLC, M&D Capital Premier Inc., M&D Medical Billing, Medrise Partners, and ASC Strategic

[3] *Alteva RCM*, M&D Capital, available at https://www.altevarcm.com.

Revenue Solutions LLC. Its principal place of business is 115-06 Myrtle Avenue, Richmond Hill, New York. Upon information and belief, M&D Capital's managing member is Aryeh May.

18. According to its website, "Alteva RCM is a healthcare advisory firm specializing in revenue cycle management for surgical and specialty medical practices."[4] The company advertises itself as "more than a vendor."[5] It submits claims to health plans and health insurers, pursues disputes through the federal IDR process, and develops strategies "to empower physicians by maximizing their financial outcomes."[6] M&D Capital specializes in servicing high-cost surgeons and other expensive non-emergency service providers, most of whom do not issue surprise medical bills.

19. Relevant to this case, M&D Capital maximizes revenue on behalf of the following out-of-network providers (collectively, the "M&D Providers"):

a. Jeremiah Redstone, M.D., P.C. ("Redstone"), a New Jersey professional association owned and operated by plastic surgeon Jeremiah S. Redstone, M.D., based in Livingston, New Jersey, and New York, New York. Redstone offers a suite of elective

[4] *Alteva RCM*, M&D Capital, available at https://www.altevarcm.com/home.
[5] *Id.*
[6] *Id.*

cosmetic procedures, including breast and facial enhancement surgery, as well as injectables and skin peels.

b. Delaware Valley Brain and Spine Care, LLC ("Delaware Valley Brain and Spine"), a New Jersey limited liability company that, upon information and belief, is owned by Mark McLaughlin, M.D. Dr. McLaughlin is a neurosurgeon and motivational speaker who operates and resides in Princeton, New Jersey. Delaware Valley Brain and Spine offers a range of elective services, including chiropractic treatments, physical therapy, botox injections, and carpal tunnel treatment.

c. Neurological Surgery Spine Specialists, a New Jersey doctors practice owned by neurosurgeon John Cifelli, M.D. based in Clifton, New Jersey. It offers a range of pre-scheduled and elective services for neck and back pain.

d. Maternal Resources PC, a New Jersey professional association operated by obstetrician/gynecologist Yaakov E. Abdelhak, M.D., based in Hackensack, New Jersey. It offers prenatal and delivery services.

e. Women's Pelvic Surgery of North Jersey, LLC, a New Jersey limited liability company based in Hackensack and Paramus,

New Jersey. It offers elective, cosmetic, and other pre-scheduled services, including electromagnetic body sculpting and treatment for sexual dysfunction.

f. Advanced Cardiovascular Interventions, PA, a New Jersey professional association owned by Hamid Nia, M.D., based in Hackensack, New Jersey. It offers a range of pre-scheduled, non-emergency services, including stress tests, blood pressure monitoring, and pacemaker management.

g. Preferred Pediatric Orthopedic Surgery LLC, a New Jersey limited liability company based in Ridgewood, New Jersey. It provides numerous non-emergency, pre-scheduled orthopedic services.

h. Hackensack Epilepsy Center, PC, d/b/a Progressive Neurology, a New Jersey professional corporation based in Westwood, New Jersey. It offers non-surgical, non-emergency services including "nap tests," botox migraine treatments, and cognitive assessments.

JURISDICTION AND VENUE

20. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331, as this action arises under federal law, including the Employee Retirement Income

Security Act of 1974 ("ERISA"), 29 U.S.C. §§ 1001 *et seq.*, and for Horizon's alternative claim for vacatur, the NSA, 42 U.S.C. § 300gg-111(c)(5)(E)(i)(II). This Court has supplemental jurisdiction over state law claims pursuant to 28 U.S.C. § 1367.

21. Venue is proper in this District under 28 U.S.C. § 1391 because: (i) a substantial part of the events or omissions giving rise to the claims set forth herein occurred in, and were directed toward, this District; and (ii) Horizon suffered injury by the events and omissions occurring in this District.

BACKGROUND

I. Congress Passed the NSA to Protect Patients from Surprise Medical Bills.

22. Health plans like Horizon contract with a network of health care providers from whom their members may obtain "in-network" care at pre-agreed rates. Generally, members receive better and more affordable health care coverage when receiving treatment from in-network providers.

23. Members may also seek treatment from out-of-network providers, which do not have a contract with Horizon applicable to the services at issue. Because out-of-network providers are not bound by an in-network contract with the health plan, members typically pay more when they elect to receive care from out-of-network providers. The health plan may not cover any out-of-network services, or it may cover a portion of the cost of covered services, and the out-of-network

provider will "balance bill" the patient for the difference between their "inflated," "non-market-based rates"—known as "billed charges"—and the amounts paid by the health plan.[7] Sometimes, members choose treatment from out-of-network providers, even though the cost of treatment may be higher. But in other situations, members have no ability to choose between in- and out-of-network providers.

24. Congress enacted the NSA, effective January 1, 2022, "to protect consumers from surprise medical bills."[8] A surprise medical bill "arise[s] when a consumer covered by a health plan is unexpectedly treated by an out-of-network provider."[9] As explained by Congress, one example of a surprise medical bill is when the patient unavoidably "receives out-of-network emergency care without having a choice of provider."[10] Another example from a non-emergency setting is when the patient receives "pathology, radiology, anesthesiology, and other ancillary health services for which the patient did not have an opportunity to choose the provider or was unaware the care was being provided at all."[11] Congress passed the NSA because it reasoned that "[c]onsumers, who are subject to these bills through no fault of their own, should not be liable for unexpected and unreasonable out-of-pocket costs."[12]

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[7] H.R. Rep. No. 116-615 at 53, 57.
[8] H.R. Rep. No. 116-615, at 47.
[9] *Id.* at 47.
[10] *Id.* at 47.
[11] *Id.* at 51-52.
[12] *Id.* at 52-53 (emphasis added).

25. The NSA provides that, effective January 1, 2022, out-of-network providers are prohibited from balance billing patients for (1) emergency services, (2) certain out-of-network services provided at in-network facilities, and (3) air ambulance services.[13]

II. The NSA Created an IDR Process to Determine a Rate for Specific Qualified IDR Items and Services, Subject to Strict Criteria.

26. In addition to banning surprise medical bills, the NSA created a framework for health plans and providers to resolve specific types of eligible surprise billing disputes.[14] The government expected that parties would seldom use the IDR process, and only as a matter of last resort; it estimated there would be just 22,000 IDR disputes per year.[15] Consistent with those expectations, the IDR process imposes strict procedural requirements, specific deadlines, and limitations on the types of plans and services eligible to dispute.

27. The NSA's framework consists of (1) open negotiation—a required 30-business-day period to try resolving the dispute informally; (2) an IDR process for "qualified IDR items and services" if no agreement is reached; and (3) if applicable, a payment determination from private companies called IDREs.

[13] *See* 42 U.S.C. §§ 300gg-131, 300gg-132, 300gg-135.
[14] *See* 42 U.S.C. § 300gg-111(c).
[15] *See* 86 Fed. Reg. 55,980, 56,068, 56,070 (Oct. 7, 2021).

28. Critically, the IDR process is only available for a "qualified IDR item or service" eligible for the process, subject to strict criteria.[16] To be considered a qualified IDR item or service within the scope of the IDR process, the following conditions must be met:

a. The underlying services were covered by the patient's health benefit plan (*i.e.*, payment was not denied);

b. The underlying services are within the NSA's scope, meaning they are out-of-network emergency services, certain out-of-network services provided at in-network facilities, or air ambulance services;

c. The services involve a patient with health care coverage through a group plan or health insurer subject to the NSA (*e.g.*, not coverage through government programs like Medicare or Medicaid);

d. A state surprise billing law (referred to as a "specified state law" in the NSA) does not apply to the dispute;

e. The patient did not waive the NSA's balance billing protections, including by providing consent to balance billing in response to state-mandated surprise billing notice;

[16] 42 U.S.C. § 300gg-111(c)(1); 45 C.F.R. § 149.510(a)(2)(xi), (b)(1), (b)(2).

f. The provider initiated and exhausted open negotiations;

g. The provider initiated the IDR process within four business days after the open negotiations period was exhausted; and

h. The provider has not had a previous IDR determination on the same services and against the same payor in the previous 90 calendar days.[17]

29. With the NSA, Congress did not intend to supplant specified state laws that provide similar surprise-billing protections, including the New Jersey OON Act.[18] Congress lauded the fact that at the time the NSA was enacted, more than half of states had already "taken significant steps to address surprise medical bills through consumer protection laws that shield patients from surprise billing in the individual, small group, and fully-insured group markets."[19] If a state law already provides a method of determining the out-of-network rate for services, then the state law applies, and the dispute is not eligible for the NSA.[20]

30. The New Jersey OON Act is one such specified state law. It bans out-of-network providers from balance billing patients for out-of-network emergency and urgent services, as well as certain out-of-network services provided at in-

[17] 42 U.S.C. § 300gg-111(c)(1); 45 C.F.R. § 149.510(a)(2)(xi), (b)(1), (b)(2).
[18] *See id.*
[19] H.R. Rep. No. 116-615, at 54.
[20] 42 U.S.C. § 300gg-111(a)(3)(H)-(K), (c)(1); 49 C.F.R. § 149.510(a)(2)(xi)(A).

network facilities.[21] The New Jersey OON Act provides a method for determining the rate for such services through negotiation and, if no agreement is reached, by initiating binding arbitration through the New Jersey Department of Banking and Insurance ("DOBI").[22]

31. Self-funded ERISA plans may "opt in" to the New Jersey OON Act, so that the New Jersey OON Act—and not the federal IDR process—applies.[23] "A self-funded plan that has opted in to arbitration will state 'NJ arbitration – YES' on the [patient's] ID card."[24] DOBI also publishes a list of the self-funded plans that opted into the New Jersey OON Act's state process.[25]

III. To Initiate the NSA's IDR Process, Initiating Parties Must Affirmatively Attest to Eligibility.

32. To police eligibility for the federal IDR process, the government created an honor system through which initiating parties self-certify eligibility for the IDR process. To initiate the IDR process, initiating parties must affirmatively attest "that the items and services under dispute are qualified IDR items or services" within the scope of the IDR process. 45 C.F.R. § 149.510(b)(2)(iii)(6).

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[21] N.J.S.A. 26:2SS-7, 26:2SS-9.
[22] N.S.J.A. 26:SS-9, 26:SS-10.
[23] *See* N.J.S.A. 26:SS-9(d), 26:SS-11.
[24] *Out-of-network Consumer Protections*, DOBI, available at https://www.nj.gov/dobi/division_consumers/insurance/outofnetwork.html.
[25] *E.g.*, *Data Reporting*, DOBI, available at https://www.nj.gov/dobi/division_insurance/oonarbitration/data/240131report.html.

33. Parties initiate the IDR process through the federal "IDR Portal." The IDR Portal is designed to notify initiating parties when disputes are ineligible for the IDR process.

34. For example, the first page of the IDR Portal also provides a link to a list of states with specified state laws that render certain services ineligible for the IDR process:

> Review the IDR State list to determine which states will have processes that apply to payment determinations for the items, services, and parties involved. FEHB plans are subject to the Federal IDR process unless OPM contracts with FEHB carriers to include terms that adopt state law as governing for this purpose.

35. Through the link, parties can access a Federal IDR Applicability Chart published by CMS.[26] CMS lists New Jersey as a state with a specified state law and directs initiating parties to "consult with the plan and the proper state authorities on whether the state or the Federal IDR process applies to the particular payment dispute at issue."[27]

36. The IDR Portal also requires initiating parties to answer certain "Qualification Questions" through an online form. If the answers to the Qualification Questions indicate that the dispute is not eligible for IDR, the form will provide an alert and prevent the initiating party from proceeding.

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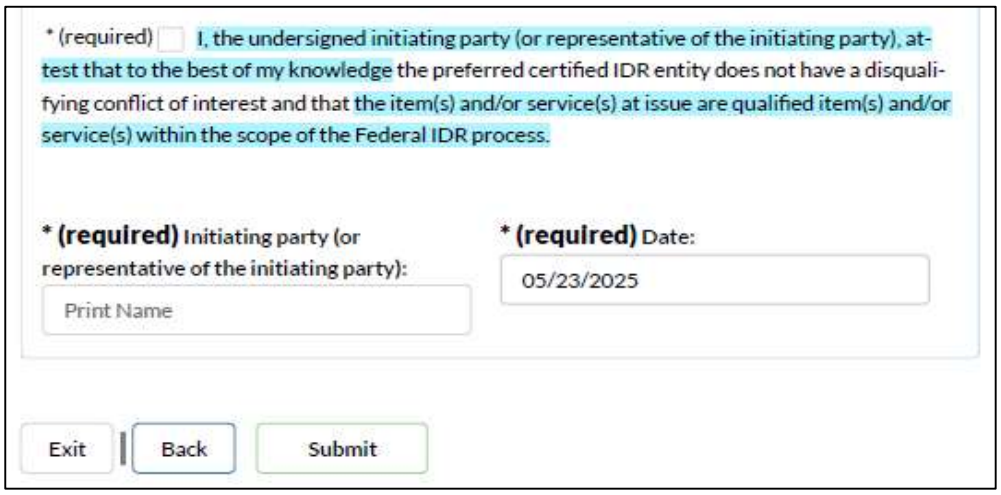
[26] *See Chart for Determining the Applicability for the Federal Independent Dispute Resolution (IDR) Process*, CMS, available at https://www.cms.gov/files/document/caa-federal-idr-applicability-chart.pdf.

[27] *Id.*

37. After successfully completing the Qualification Questions, the initiating party is asked to complete the Notice of IDR Initiation Form. The initiating party must provide a variety of information, including the name and contact information of the health care provider, the claim number, the patient's health plan and plan type, and the date of the service for the qualified IDR item or services at issue. This information comes from the patient's insurance card and the health plan's explanation of payment ("EOP"), among other sources.

38. At the end of this initiation process, the submitting party must attest, via electronic signature, that the "item(s) and/or service(s) at issue are qualified item(s) and/or services(s) within the scope of the Federal IDR process."



39. A copy of the Notice of IDR Initiation—including the initiating party's attestation that the "item(s) and/or service(s) at issue are qualified item(s) and/or services(s) within the scope of the Federal IDR process"—is provided to the non-initiating party (*i.e.*, the health plan), the IDRE, and the Departments of Health and

Human Services, Labor, and Treasury (the "Departments"). Upon making this attestation, the government automatically unlocks the IDR process for the initiating party.

40. With the affirmative attestation requirement, providers and their billing companies have the duty and the responsibility to confirm eligibility *before* initiating the IDR process. Once the provider or billing company attests to eligibility during the IDR initiation process, the dispute automatically enters IDR and is transferred to an IDRE.

41. Providers and their billing companies know and can readily access information to determine whether a dispute is eligible for IDR.

42. Certain information regarding eligibility is within the provider's and their billing company's personal knowledge. For example, the provider and the billing company know the nature of the underlying services, whether they initiated and exhausted open negotiations for the services being disputed in IDR, and whether they received a waiver of surprise billing protections from the patient.

43. Other information regarding eligibility is given to the provider and any billing company working on the provider's behalf. For instance, insurance cards collected and recorded at the point of service typically inform the provider and the billing company the type of coverage for the patient, a prerequisite for IDR eligibility. Additionally, EOPs will inform providers and billing companies when the

services are eligible for IDR. Providers and/or billing companies may also receive affirmative outreach from payors when they initiate open negotiations or IDR to inform them that the underlying services are not eligible for the federal process.

IV. With Misaligned Financial Incentives, IDREs Make Payment Determinations.

44. After the provider or billing company affirmatively attests that the dispute is regarding qualified IDR items or services in order to initiate the IDR process, the parties select, or HHS appoints, an IDRE.[28]

45. Following selection or appointment, the NSA's regulations (but not the statute) state that IDRE will "determine whether the Federal IDR process applies."[29] In making this determination, the IDRE is directed to "review the information submitted in the notice of IDR initiation" with the provider's attestation of eligibility.[30] By statute, the IDRE only has jurisdiction to issue a payment determination for "a qualified IDR item or service."[31]

46. In practice, this is often a cursory review by the IDRE. Once a dispute reaches the IDRE, the initiating party has already bypassed layers of safeguards in the IDR initiation process—including the Qualification Questions and eligibility attestations—and the IDRE is only required to review the notice of IDR initiation

[28] 42 U.S.C. § 300gg-111(c)(4)(F).
[29] 45 C.F.R. § 149.510(c)(1)(v).
[30] *Id.*
[31] *Id.*

with the affirmative attestation to determine eligibility.[32] Although Horizon submits objections to ineligible disputes, nothing in the statute or applicable regulations requires that the IDREs meaningfully consider or address those objections before moving on to a payment determination.[33]

47. Unless the IDRE determines the IDR process does not apply and agrees to dismiss the dispute, the IDRE will proceed to a payment determination.[34]

48. IDR payment determinations resemble baseball-style dispute resolution where the provider and health plan each submit an offer, and the IDRE selects one party's offer as the out-of-network rate.[35] The parties submit "blind" offers; Horizon does not get an opportunity to review, verify, or rebut the provider's offer.

49. In making its determination, the IDRE must consider the QPA[36]—which approximates the health plan's median in-network contracting rate for the services—and several "additional circumstances," such as training, experience, and

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[32] *See id.*
[33] *See id.*
[34] 42 U.S.C. § 300gg-111(c)(5)(A).
[35] 42 U.S.C. § 300gg-111(c)(5)(B).
[36] Although the original regulations implementing the NSA included a rebuttable presumption that QPA was the appropriate payment amount in IDR, providers successfully sued the government and struck down these regulations—as well as several other original rules intended the balance the now heavily skewed process. *See Tex. Med. Ass'n v. United States HHS*, 587 F. Supp. 3d 528, 542 (E.D. Tex. 2022); *see also Tex. Med. Ass'n v. United States HHS*, 654 F. Supp. 3d 575, 591-92 (E.D. Tex. 2023); *Tex. Med. Ass'n v. United States Dep't of Health & Hum. Servs.*, No. 6:22-cv-450-JDK, 2023 U.S. Dist. LEXIS 149393, at *4 (E.D. Tex. Aug. 24, 2023), *vacated in part*, 120 F.4th 494 (5th Cir. 2024).

quality of the provider, its market share, and the acuity of the patient, among others.[37] IDREs cannot consider, among other things, the provider's billed charges.[38] Congress reasoned that permitting IDREs to "consider non-market-based rates such as the providers' billed charges . . . may drive up consumer costs."[39]

50. The NSA states that an IDR determination for a "qualified IDR item or service" is "binding" unless there was "a fraudulent claim or evidence of misrepresentation of facts presented to the IDR entity involved regarding such claim[.]"[40]

51. Parties to IDR proceedings are responsible for payment of two fees. First, both parties must pay a non-refundable administrative fee, which was $115 during the time period in dispute, when the dispute is initiated. This fee is not recoverable even if the IDRE determines that the dispute does not qualify for IDR, or even when the initiating party later voluntarily withdraws the dispute. Second, both parties must pay an IDRE fee before the IDRE makes the payment determination. The IDRE fee is set by the specific IDRE and depends on the type of IDR submitted but ranges from $268 to $1,173. The party whose offer is selected by the IDRE is refunded its IDRE fee, meaning it is only responsible for the $115

[37] 42 U.S.C. § 300gg-111(c)(5)(C).
[38] 42 U.S.C. § 300gg-111(c)(5)(D) (IDREs "shall not consider … the amount that would have been billed by such provider or facility …").
[39] H.R. Rep. No. 116-615, at 57.
[40] 42 U.S.C. § 300gg-111(c)(5)(E)(i).

administrative fee. The non-prevailing party is responsible for both the administrative fee and the IDRE fee.

52. IDRE fee structures and financial incentives do not align with neutral and unbiased outcomes.

53. IDREs are only compensated when a dispute reaches a payment determination.[41] They do not receive compensation if they find a dispute is ineligible for the IDR Process.[42] They also receive no compensation for time spent evaluating eligibility; they only receive compensation if they issue a payment determination.[43] Thus, IDREs are financially disincentivized from (1) spending uncompensated time and resources to investigate eligibility and (2) finding that a dispute is ineligible; in that event, the IDRE receives no compensation whatsoever.

54. In addition, IDREs are compensated on a per dispute basis.[44] More than 99% of disputes are initiated by providers. Thus, siding with providers incentivizes more providers to file more disputes, which generates greater compensation for the

[41] *See* 42 U.S.C. § 300gg-111(c)(5)(F).
[42] *See id.*; *see also Calendar Year 2023 Fee Guidance for the Federal Independent Dispute Resolution Process under the No Surprises Act*, CMS, available at https://www.cms.gov/cciio/resources/regulations-and-guidance/downloads/cy2023-fee-guidance-federal-independent-dispute-resolution-process-nsa.pdf ("[C]ertified IDR entities may not collect fees for those cases that they ultimately determine are ineligible for the Federal IDR process.").
[43] *See supra* n.__.
[44] *See* 42 U.S.C. § 300gg-111(c)(5)(F); 45 C.F.R. § 149.510(d)(1).

IDREs. One recent study concluded, "It is within reason to suspect that [IDREs] are inducing more cases by ruling generously for providers."[45]

V. The NSA's IDR Process Skews Heavily in Favor of Providers.

55. Government data confirms that the IDR process has not led to fair or balanced outcomes with objectively reasonable payment determinations. Instead, the IDR process heavily favors providers.

56. In the most recent reporting period, providers prevailed in 88% of IDR payment determinations.[46]

57. Moreover, providers are not prevailing with objectively reasonable payment offers. Congress directed IDR payment determinations to be made according to the QPA and several "additional circumstances," such as the training, experience, and quality of the provider, its market share, and the acuity of the patient, among others.[47] In practice, however, IDRE payment determinations far exceed the QPA.

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[45] Chartock, Benjamin, and Whaley, Christopher, "Arbitration and Negotiated Prices: Evidence from Insurer–Doctor Disputes" (2026). *Center for Advancing Health Policy through Research (CAHPR) Digital Collection*. Brown Digital Repository. Brown University Library, available at https://doi.org/10.26300/mmce-z888.

[46] *Supplemental Background on the Federal IDR Public Use Files, January 1, 2025 – June 30, 2025*, CMS, *supra*.

[47] 42 U.S.C. § 300gg-111(c)(5)(C).

58. For line items in which the provider prevailed, CMS reports that the median payment determination was anywhere from 173% to 591% of the QPA, depending on the amount in question.[48] "The rationale behind payment determinations remains unclear due to limited transparency into how IDR entities evaluate submissions."[49]

59. Due to heavily skewed results stemming from misaligned IDRE financial incentives, the IDR process is far more lucrative for providers than the New Jersey OON Act. It may also be equally if not more profitable—and far less resource intensive—than balance billing patients. But the law is clear: M&D Capital cannot choose whether to dispute out-of-network payments through the New Jersey OON Act or the NSA's IDR process. When the New Jersey OON Act applies, the dispute is ineligible for the IDR process.

M&D CAPITAL'S FALSE AND MISLEADING CONDUCT

60. Since 2024, M&D Capital has employed a scheme to fleece Horizon through abusive and exploitative billing practices and IDR submissions. To effectuate this scheme, M&D Capital made false and misleading statements,

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[48] *See Independent Dispute Resolution Reports, Federal IDR PUF for 2025 Q2 (as of January 21, 2026)*, CMS, available at https://www.cms.gov/nosurprises/policies-and-resources/reports.

[49] *No Surprises Act Arbitrators Vary Significantly in Their Decision Making Patterns*, Health Affairs, available at https://www.healthaffairs.org/content/forefront/no-surprises-act-arbitrators-vary-significantly-their-decision-making-patterns.

representations, and attestations regarding the M&D Providers' services and their eligibility for the IDR process.

61. M&D Capital claims that it "secur[es] the best possible financial outcomes" through the NSA.[50] It has previously claimed on its website that it employs a "unique approach to getting paid directly from the insurance providers, not from your patients."[51] The company works with providers to maximize revenue by billing outrageous amounts for out-of-network services and disputing the health plan's payments through the NSA's IDR process. M&D Capital's website touts that it helped one client secure a "[s]ignificant increase in revenue" by transitioning from "fac[ing] challenges maximizing reimbursement from in-network payors" to "a successful out-of-network model[.]"[52]

62. In return for this service, M&D Capital charges providers a fee based on a percentage of its collections, including from IDR payment determinations. On its website, the company advertises: "Alteva RCM offers competitive and

[50] *Alteva RCM – Strategic Expertise*, M&D Capital, available at https://altevarcm.com/solutions/.
[51] *MD Capital Billing – Non-Par Billing*, M&D Capital, previously available at https://mdcapitalbilling.com/.
[52] *Alteva RCM – From Burnout to Balance*, M&D Capital, available at https://altevarcm.com/portfolio-item/from-burnout-to-balance/.

transparent pricing models, typically based on a percentage of collections, ensuring alignment with your practice's financial success."[53]

63. According to a lawsuit filed by one M&D Capital provider client in 2025, M&D Capital charges 18% of the amount it collects on behalf of providers. M&D Capital thus has a vested financial interest and incentive to maximize revenue for its clients.

64. M&D Capital's business model relies on generating as much revenue as possible for the M&D Providers. Thus, M&D Capital has a direct financial incentive to (1) price gouge health plans with abusive claims and billing practices, (2) push as many services as possible through the IDR process, regardless of whether the services qualify for IDR, and (3) seek the highest possible monetary award for its provider clients in the IDR process.

65. The core of the scheme relies on M&D Capital's calculated bet: that its repeated false and misleading statements regarding the submitted claims and disputes, including that they met the criteria for the NSA's IDR process, would push ineligible disputes to a payment determination. And they were right. Given the incredibly large amounts billed by the M&D Providers for their elective services, M&D Capital knows that even a single ineligible dispute that is successfully

[53] *Alteva RCM – FAQs*, M&D Capital, available at https://altevarcm.com/faqs/#toggle-id-20.

submitted to the IDR process could result in tens of thousands of dollars of improperly attained payments to the M&D Providers, of which M&D Capital collects a large portion through its fee arrangements. Horizon's records show that M&D Capital, on behalf of the M&D Providers, has improperly secured improper IDR awards against Horizon totaling millions of dollars for ineligible disputes.

66. Through this false and misleading conduct, M&D Capital intentionally exploited the NSA's IDR process into a vehicle for revenue maximization and profit through four related tactics. *First*, M&D Capital counsels and encourages the M&D Providers to bill egregiously high amounts for their services, far in excess of reasonable reimbursement, because it knows higher billings will subsequently increase its recovery in IDR. *Second*, M&D Capital submits ineligible services to the IDR process by making false representations and attestations of eligibility. *Third*, M&D Capital capitalizes on its false and misleading statements by submitting inflated requests for payment that the M&D Providers could never receive on the open market.

I. M&D Capital Counsels and Coordinates with the M&D Providers to Price Gouge Health Plans for the M&D Providers' Services.

67. M&D Capital's scheme begins with its billing practices. Before initiating the IDR process, the provider and/or the billing company must bill Horizon for the service. M&D Capital, in coordination with the M&D Providers, ensures that Horizon is billed exorbitant amounts for many different services and procedures all

arising from the same episode of care. M&D Capital subsequently disputes each service and procedure billed to Horizon through the IDR process.

68. Given the nature of the high-cost elective surgical services provided by the M&D Providers, they typically bill for more than one surgical intervention performed during the same patient encounter. In many cases, reimbursement for one service code on the claim is dependent upon the reimbursement of a separate service on the same claim. One example is multiple surgical price reductions, where payors (including Medicare) customarily reimburse the primary surgery at 100% of the allowance, and all additional surgeries at 50% of the allowance, to account for the fact that many of the "fixed costs" associated with each surgery are only incurred once. To reimburse all surgeries at the same rate would result in duplicate payments of the same fixed costs to the provider.

69. For example, for one spinal surgery, Neurological Surgery Spine Specialists, in coordination with M&D Capital, billed Horizon ten separate services totaling $298,841. Several of the services were already included in other line items billed on the same claim but were strategically "unbundled" and billed separately, rather than under a comprehensive procedure code, to maximize revenue.

70. In other cases, M&D Providers may bill multiple surgical codes on the same claim, representing procedures performed during the same operative session with the patient. To avoid duplication of payment for fixed costs, customary industry

reimbursement would involve 100% payment for the primary (*i.e.*, the highest cost) surgery, then 50% payment for the additional procedures.

71. Yet in many cases involving such context-dependent reimbursements, M&D Capital initiates separate IDR disputes for each of the surgical codes. The anticipated (and largely achieved) result is multiple awards from IDREs that do not account for the other services billed and reimbursed from the same claim, inevitably leading to duplicated payments (*e.g.*, of fixed costs in the case of multiple surgeries).

72. M&D Providers also frequently bill for assistant surgery services. Assistant surgeons play a fundamentally different and more limited role compared to the primary (operating) surgeon. The primary surgeon bears full clinical and legal responsibility for the procedure, such as planning the surgery, making all key intraoperative decisions, and managing the patient's postoperative care. The assistant surgeon's role is supportive and subordinate. For example, the assistant surgeon may hold retractors, provide exposure, or assist with suturing. Because the assistant surgeon's contribution is a fraction of the overall surgical effort, assistant surgeons are reimbursed only 16% of the primary surgeon's allowed amount under Medicare. Commercial payors like Horizon typically follow a similar reduced reimbursement methodology. Nevertheless, M&D Capital repeatedly submitted assistant surgeon services to IDR and succeeded in receiving undiscounted primary surgeon charges.

73. On information and belief, these billing practices are orchestrated by M&D Capital as a prelude to IDR. This excessive billing inevitably influences the results of IDR by resulting in extraordinarily high IDR awards in favor of M&D Capital on behalf of the M&D Providers—including on improperly submitted ineligible disputes.

II. M&D Capital Knowingly Makes False and Misleading Attestations of Eligibility to Initiate the IDR Process.

74. The next part of M&D Capital's scheme involves "navigating the Federal No Surprises Act (NSA)" to "secur[e] the best possible financial outcomes" for its clients by submitting as many disputes through the IDR process as possible, including disputes that it knows are ineligible for the IDR process. To do so, M&D Capital bypasses the IDR portal's honor system by making knowingly false and misleading attestations of eligibility.

75. M&D Capital knows and can readily access information to determine whether a dispute is eligible for IDR. For example, although Horizon administers different types of health plans and claims, the M&D Providers (and M&D Capital, as their billing company) know what type of health care coverage each member they treat has. Providers require and document proof of insurance from the member's health insurance card at the point of service so they and/or their medical billing companies can submit claims to the health plan. The member's health insurance card identifies whether Horizon insures the plan, such that the services are subject to the

New Jersey OON Act, by omitting the notation that Horizon "does not assume any financial risk for the claims." When the member's health plan is funded by their employer and Horizon provides only administrative services, the insurance card indicates whether the plan has opted into the New Jersey OON Act. M&D Capital has notice of these insurance cards as the M&D Providers' billing and IDR agent.

www.horizonblue.com
Deductible Information:
INN DED S/F: [redacted]
OON DED S/F

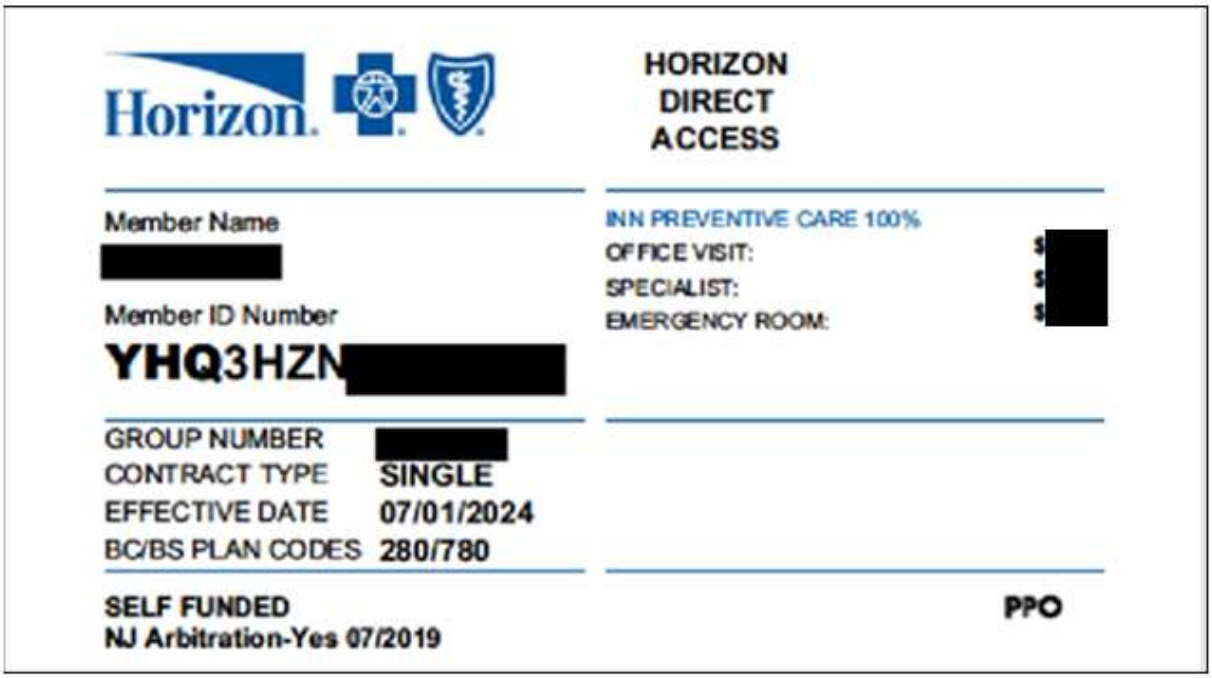
Horizon

Hospitals or Providers: File claims with local Blue Cross and/or Blue Shield Plan.
Members: See your Benefit Booklet for covered services. Possession of this card does not guarantee eligibility for benefits.
Horizon Blue Cross Blue Shield of New Jersey is an independent licensee of the Blue Cross and Blue Shield Association.
Horizon BCBSNJ provides administrative services only and does not assume any financial risk for claims.

Out of Pocket Maximum Information:
INN MOOP S/F: [redacted]
OON MOOP S/F

Member Services:	1-800-355-2583
Emergency Service:	911
Behavioral Health Services:	1-800-626-2212
24/7 Nurse Line:	1-888-624-3096
Utilization Management:	1-800-664-2583
Provider Services:	1-800-624-1110
Radiology Services:	1-855-339-2010

Providers/Members/Medicare Secondary Claims:
HORIZON BCBSNJ
PO BOX 1609
NEWARK, N.J. 07101-1609



76. In addition, when Horizon issues an EOP in response to the claim, the EOP includes information about the member's coverage and indicates if the claim is subject to the NSA or the New Jersey OON Act. Billing companies like M&D Capital access and use EOPs as part of their strategy to "secur[e] the best possible financial outcomes"[54] for itself and its healthcare provider clients. If the M&D Provider or M&D Capital have questions, they may "consult with the plan and the proper state authorities on whether the state or the Federal IDR process applies to the particular payment dispute at issue," as CMS directs.[55]

[54] *Alteva RCM – Strategic Expertise*, M&D Capital, available at https://altevarcm.com/solutions/.

[55] *See Chart for Determining the Applicability for the Federal Independent Dispute Resolution (IDR) Process*, CMS, available at https://www.cms.gov/files/document/caa-federal-idr-applicability-chart.pdf.

77. Horizon's EOPs use the code "Y857" to specifically inform providers when a claim is subject to the NSA and potentially eligible for the federal IDR process. When this code is not present in the EOP, the M&D Providers and M&D Capital have notice that the service is likely ineligible for IDR.

Y857	THIS CLAIM HAS BEEN PAID BASED ON GUIDELINES OF THE 'NO SURPRISES ACT'. YOU HAVE 30 BUSINESS DAYS FROM THE DATE OF RECEIPT OF THE INITIAL CLAIM PAYMENT TO NOTIFY US OF INTENT TO NEGOTIATE BY MAIL TO PO BOX 106, NEWARK, NJ 07101, BY EMAIL TO FEDSURPRISEBILL@HORIZONBLUE.COM OR CALL 1-800-624-1110. THE OPEN NEGOTIATION NOTICE IS REQUIRED. IF UNSUCCESSFUL, THE IDR PROCESS CAN BEGIN WITHIN 4 DAYS ONLY AFTER THE 30 DAY OPEN NEGOTIATION PERIOD HAS BEEN EXHAUSTED.

78. In some cases, in addition to the absence of the NSA explanation codes, Horizon's EOPs affirmatively notify providers when services are not qualified for the IDR process. For example, Horizon's EOPs inform providers when claims are subject to the New Jersey OON Act (and therefore ineligible for IDR). These EOPs clearly and unambiguously communicate to the M&D Providers and M&D Capital when services are potentially eligible for the federal IDR process and when they are not.

79. Thus, when M&D Capital submits ineligible IDR disputes against Horizon, it makes repeated false statements, representations, and attestations that the items or services in dispute are "qualified item(s) and/or service(s) within the scope of the Federal IDR process" when, in fact, it knows they are not.[56] The items and services that M&D Capital falsely attests are "qualified item(s) and service(s) within

[56] 45 C.F.R. § 149.510(b)(2)(iii)(A)(6).

the scope of the Federal IDR process" are patently ineligible, and M&D Capital knows that they are ineligible when making its false attestations.

80. Putting aside M&D Capital's advance notice of ineligibility, its conduct plainly shows that its false attestations are knowingly and intentional. For many services covered by the New Jersey OON Act, M&D Capital ***simultaneously pursues the state and federal dispute resolution processes***, knowing that ineligible disputes may be rejected from the IDR process. When the IDR disputes are not dismissed as ineligible and the far more lucrative IDR process proceeds, M&D Capital strategically withdraws the state arbitrations—including, in some cases, ***after it has received a binding ruling in the state process***.

81. M&D Capital apparently pursues the less lucrative state process as a backstop in case the ineligible claims are rejected from IDR. As noted above, the New Jersey arbitration process is markedly less profitable for providers than IDR, since it has at least some bounds around what providers can reasonably recover through arbitration.

82. In fact, M&D Capital requests much lower payment from Horizon in the state arbitration than in IDR. For example, in one case described below, M&D Capital disputed two service lines of a claim through state arbitration and submitted a third service line on the same claim to IDR. M&D Capital requested $14,204.96 for both service lines in the state process—***merely 8% of the combined $172,849.24***

billed charges for the services—and ultimately lost, as the arbitrator decided Horizon's payment of $6,506 was more reasonable. But in IDR, M&D Capital requested and received an award of $150,000 for the third service line, which was ***approximately 94% of the $160,000 billed charges*** for the service. Its profit motive with respect to IDR is very clear.

83. Thus, M&D Capital is fully aware that the services subject to the New Jersey OON Act are ineligible for IDR. It has clear knowledge that its attestations in submitting such services to IDR are false.

III. M&D Capital Submits Commercially Unreasonable Payment Offers to Inflate Payments on IDR Disputes.

84. The last step in M&D Capital's scheme involves inflating its reimbursement demand to levels far beyond what the market would support. Its goal is to manipulate IDREs into selecting inflated amounts by anchoring the dispute to a grossly exaggerated number. By submitting an inflated offer, M&D Capital artificially shifts the IDRE's frame of reference upward. And due to the systemic issues with the IDR process described above, M&D Capital frequently prevails with its unreasonable offer, even if it is far above market rates.

85. Congress directed IDR payment determinations to be made according to the QPA and several "additional circumstances," such as the training, experience, and quality of the provider, its market share, and the acuity of the patient, among

others.[57] In practice, however, IDRE payment determinations skew heavily in favor of providers and heavily in excess of the QPA because M&D Capital and others are exploiting the IDR system.

86. M&D Capital knows that IDREs select the provider's offer in almost nine out of every ten payment determinations, so it can frequently prevail with outrageous offers. Providers' chance of success is seemingly unaffected by the amount they demand in IDR.

87. The amounts demanded by M&D Capital far exceed what the M&D Providers could expect to receive for their services from patients or from health plans in a competitive market. Through its scheme to exploit the IDR process, M&D Capital's systematic demands for these exorbitant amounts results in its undue gain at Horizon's expense.

IV. M&D Capital's Unlawful Conduct Damaged Horizon, Affiliated Health Plans, and Consumers.

88. As a result of M&D Capital's unlawful conduct, Horizon, its affiliated health plans, and self-insured group plan sponsors have paid excessive amounts for medical services and incurred unnecessary administrative and IDRE fees. The false and misleading statements damage Horizon and its plan sponsors in multiple ways, and the financial harm caused by M&D Capital's abusive practices is ongoing.

[57] 42 U.S.C. § 300gg-111(c)(5)(C).

89. First, as soon as M&D Capital initiates the IDR process with false attestations of eligibility, Horizon must pay a $115 administrative fee or else it will be defaulted in the dispute. This administrative fee is non-refundable; even if the dispute is dismissed or withdrawn, Horizon cannot recover its administrative fee payment.

90. Second, Horizon must pay an IDRE fee before the IDRE makes the payment determination. The IDRE fee is set by the specific IDRE and depends on the type of IDR submitted, but ranges from $268 to $1,173. When M&D Capital prevails in ineligible disputes, Horizon cannot recover its IDRE fee payment.

91. Third, Horizon is subject to and pays improperly procured IDR awards based on M&D Capital's inflated reimbursement demands. M&D Capital has secured millions of dollars in awards against Horizon for ineligible services.

92. Fourth, Horizon has been forced to expend substantial time and resources to address M&D Capital's scheme. The government estimated that health plans must devote several hours to managing each dispute.[58] Studies also estimate that between 2023 and 2024, the internal administrative costs for managing the IDR

[58] 86 Fed. Reg. at 56,067-70.

process reached nearly $2 billion.[59] Horizon has incurred substantial internal administrative costs to address and respond to M&D Capital's ineligible disputes.

93. Fifth, upon information and belief, M&D Capital's improper conduct causes downstream market distorting effects, such as causing providers similar to the M&D Providers to go out-of-network and increasing the cost of care for patients (which Horizon and its employer groups insure).

94. M&D Capital's conduct also threatens the affordability and sustainability of health benefits for Horizon's members. M&D Capital's exploitation of the IDR process is contributing to billions of dollars in additional costs. From 2022 to 2024, the IDR process has led to at least $5 billion in total costs.[60] Of the $5 billion, $2.24 billion in costs arose from payment determinations in favor of the provider.[61] Administrative and IDR entity fees total $884 million.[62] Internal

[59] *See The Substantial Costs of the No Surprises Act Arbitration Process*, Health Affairs, available at https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process.

[60] *The Substantial Costs of the No Surprises Act Arbitration Process*, HEALTH AFFAIRS, available at https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process.

[61] *Id.*

[62] *Id.*

administrative costs over two years total $1.9 billion.[63] "[T]he high costs will add to overall health system costs and will ultimately be paid by consumers."[64]

V. Specific Examples of Abusive Billing Practices and False and Misleading Statements Illustrate M&D Capital's Unlawful Conduct.

95. M&D Capital made false statements, representations, and attestations related to the following illustrative IDR disputes:

A. Jeremiah S. Redstone, M.D., P.C.

Dispute No.	Service Code	Billed Charge	Payment Under State Law	Federal IDR Payment Determination
DISP-3174988	19318-50	$160,689.67	$1,427.93	$150,000.00
NJ arbitration	14301-AS	$63,425.93	$4,090.74	*None ($4,090.74 per NJ arbitration)*
NJ arbitration	14302-AS	$109,423.31	$987.33	*None ($987.33 per NJ arbitration)*

96. The IDR dispute captioned DISP-3174988 arose out of a single assistant surgeon claim by Redstone, M.D. for a breast reduction surgery rendered to a Horizon fully insured plan member in an ambulatory surgical center. Dr. Redstone billed $333,538.91 for assistant surgery services performed on December 4, 2024, including $160,689.67 for service code 19318-50 (indicating a bilateral

[63] *Id.*

[64] *Id.*

breast reduction), and a combined $172,849.24 for 14301-AS and 14302-AS (both indicating wound repair using adjacent tissue transfer).

97. As Dr. Redstone and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The member's insurance card indicated that the member was covered by a fully insured plan. Horizon's initial payment also included notice that the claim was subject to state law.

98. M&D Capital submitted the wound repair services (service codes 14301-AS and 14302-AS) to the New Jersey arbitration process. Horizon increased its payment for all services to $6,506, stating in the EOP that this represented its final reimbursement pursuant to the state law process. Horizon prevailed in the New Jersey arbitration process, where the arbitrator determined that Horizon's final payment for the wound repair services was more reasonable than M&D Capital's $14,204.96 demand.

99. M&D Capital separately initiated the IDR process for the breast reduction surgery charge (service code 19318-50), falsely attesting the service was IDR-eligible. Horizon objected to eligibility, yet the IDRE, MCMC, awarded M&D Capital $150,000 for the services—nearly the full amount of Dr. Redstone's billed charges, and over 100 times Horizon's final state-law payment of $3,457.76. Horizon also paid $503 in unnecessary IDR fees.

B. Advanced Cardiovascular Interventions, PA

Dispute No.	Service Code	Billed Charge	Payment Under State Law	Federal IDR Payment Determination
DISP-3053441	93458-26	$60,000.00	$881.50	$58,000.00
DISP-3053379	99152	$11,786.00	$110.00	*Dismissed*
Not submitted	99291-25	$10,000.00	$0 (not covered)	*None*
Not submitted	99153	$2,626.00	$44.00	*None*
Not submitted	93010-59	$1,000.00	$0 (non-covered)	*None*

100. Two IDR disputes—DISP-3053441 and DISP-3053379—arose out of a claim by Advanced Cardiovascular Interventions for a critical care heart catheterization procedure provided to a Horizon fully insured plan member. Advanced Cardiovascular Interventions billed $85,412.00 for the services, including $60,000 for service code 93458-26 (indicating a left heart catheterization), $11,786 for service code 99152 (15 minutes of patient sedation), $10,000 for service code 99291-25 (indicating critical care evaluation and management), $2,626 for service code 99153 (indicating an additional 15 minutes of patient sedation), and $1,000 for service code 93010-59 (indicating interpretation of an electrocardiogram). Horizon denied reimbursement for service codes 99291-25 and 93010-59 because the billing and/or documentation did not support coverage for the services.

101. As Advanced Cardiovascular Interventions and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The

member's insurance card indicated that the member was covered by a fully insured plan. Horizon's initial payment also included notice that the claim was subject to state law. After the claim was submitted to the New Jersey arbitration process, Horizon increased its payment to $1,035.50, stating in the EOP that this represented its final reimbursement pursuant to the state law process.

102. Despite this, M&D Capital separately initiated the IDR process for service code 93458-26 in DISP-3053441 and for service code 99152 in DISP-3053379, falsely attesting the services were IDR-eligible and also representing that the services were emergency services. Horizon objected to eligibility in both proceedings. DISP-3053379 was properly dismissed by the assigned IDRE, iMPROve Health ("iMPROve"). DISP-3053441 was not.

103. In DISP-3053441, the IDRE, Provider Resources, Inc., awarded $58,000—nearly the full amount of Advanced Cardiovascular Interventions $60,000 billed charges, and more than 60 times Horizon's final state-law payment of $881.50 for the service. Horizon also paid $728 in unnecessary IDR fees across both proceedings.

C. Delaware Valley Brain and Spine Care, LLC

Dispute No.	Service Code	Billed Charge	Payment Under State Law	Federal IDR Payment Determination
DISP-2649037	61343-AS	$252,529.21	$4,350.00	$245,000.00

104. The dispute captioned DISP-2649037 arose out of an assistant surgeon claim by Delaware Valley Brain and Spine Care for a back surgery performed on a Horizon fully insured plan member. The provider billed $252,529.21 for the assistant surgeon services provided by physician assistant Samantha Schramak on November 14, 2024. The service was billed with service code 61343-AS (indicating assistant surgeon billing for suboccipital craniectomy with cervical laminectomy for decompression of the medulla and spinal cord).

105. As Delaware Valley Brain and Spine Care and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The member's insurance card indicated that the member was covered by a fully insured plan. Horizon's initial payment also included notice that the claim was subject to state law. Horizon then increased its payment to $4,350.10, stating in the EOP that this represented its final reimbursement pursuant to the state law process. (As explained above, this payment was appropriately reduced based on the provider's assistant surgeon status for the procedure.)

106. Despite this, M&D Capital initiated the IDR process, falsely attesting that the service was IDR-eligible. Horizon objected to eligibility in the proceeding.

107. Nevertheless, the IDRE, MCMC, awarded $245,000 in the proceeding, nearly equaling the billed charges, and more than 56 times Horizon's state-law payment for the services. Horizon also paid $503 in unnecessary IDR fees.

D. Preferred Pediatric Orthopedic Surgery

Dispute No.	Service Code	Billed Charge	Payment Under State Law	Federal IDR Payment Determination
DISP-2815736	24579-RT	$62,868.65	$15,721.00	$61,000.00
DISP-2815795	99283-57	$5,000.00	$576.00	$5,000.00
DISP-2815678	24220-RT	$4,718.35	$1,294.10	$4,700.00

108. Three IDR disputes—DISP-2815736, DISP-2815795, and DISP-2815678—arose out of a single claim by Preferred Pediatric Orthopedic Surgery for emergency surgical services rendered to a Horizon fully insured plan member on November 22, 2024. The provider billed $72,587 for surgery to stabilize a fractured bone, including $62,868.65 for service code 24579-RT (indicating open reduction and internal fixation of a fractured right elbow), $5,000 for service code 99283 (indicating emergency evaluation and management services), $4,718.35 for service code 24220-RT (indicating an injection procedure for elbow arthrography).

109. As Preferred Pediatric Orthopedic Surgery and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The

member's insurance card indicated that the member was covered by a fully insured plan. Horizon's initial payment also included notice that the claim was subject to state law. Horizon subsequently increased its payment to $17,591.10, stating in the EOP that this represented its final reimbursement pursuant to the state law process.

110. Despite this, M&D Capital separately initiated the IDR process for each service line on the same claim, falsely attesting that the services were IDR-eligible and also representing that the services were emergency services. Horizon objected to eligibility in all three proceedings. Nevertheless, the assigned IDREs proceeded to a final payment determination in all three disputes.

111. The IDRE C2C Innovative Solutions, Inc. ("C2C") awarded $61,000 for CPT code 24579-RT and $5,000 for CPT code 99283. Provider Resources awarded $4,700 for CPT code 24220. The awards totaled $70,700, equal to approximately 97% of the billed charges and more than four times Horizon's final state-law payment of $17,591.10. Horizon also paid $1,993 in unnecessary IDR fees across all three proceedings.

E. Maternal Resources PC

Dispute No.	**Service Code**	**Billed Charge**	**Payment Under State Law**	**Federal IDR Payment Determination**
DISP-2304125	59610	$83,511.30	$6,142.50	$75,000.00
Not submitted	59412-80	$25,000.00	$0 (non-covered)	*None*
Not submitted	76815-26	$2,382.00	$0 (non-covered)	*None*
DISP-2935816	59025-26	$1,665.30	$14.00	$1,500.00

112. Two IDR disputes—DISP-2304125 and DISP-2935816—arose out of a labor and delivery claim by Maternal Resources for services rendered to a Horizon ERISA plan member. The provider billed $112,588.60 for services provided on June 17, 2024, including $83,511.30 for service code 59610 (indicating an obstetric package for labor and delivery services), $25,000 for service code 59412-80 (indicating assistant surgeon assistance in manually turning a breech fetus), $2,382.00 for service code 76815-26 (indicating a uterus ultrasound), and $1,665.30 for service code 59025-26 (indicating a fetal non-stress test). Horizon denied service code 59412-80 because the member's plan did not provide benefits for this service, and denied 76815-26 because the professional component (indicated by modifier 26) of this service was not separately reimbursable for the related payment made to the facility.

113. As Maternal Resources and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The member's insurance card indicated that the member was covered by a plan that was subject to the New Jersey OON Act. Horizon's payment also included notice that the claim was subject to state law. Horizon subsequently increased its payment to $6,156.50, stating in the EOP that this represented its final reimbursement pursuant to the state law process.

114. Despite this, M&D Capital separately initiated the IDR process for two service lines on the same claim, falsely attesting the services were IDR-eligible. It initiated DISP-2304125 for service code 59610 and DISP-2935816 for service code 59025-26.

115. In DISP-2304125, the IDRE, EdiPhy Advisors, LLC, awarded $75,000—approximately 90% of Maternal Resources' $83,511.30 billed charges, and more than 12 times Horizon's final state-law payment of $6,142.50 for the service. In DISP-2935816, the IDRE Federal Hearings and Appeals Services awarded $1,500, which was again approximately 90% of charges and more than 100 times Horizon's state-law payment. Horizon also paid $1,465 in unnecessary IDR fees across both proceedings.

F. Women's Pelvic Surgery of New Jersey LLC

Dispute No.	Service Code	Billed Charge	Payment Under State Law	Federal IDR Payment Determination
DISP-3342353	64999-82	$90,000.00	$3,457.76	$85,000
DISP-3348709	64999-82	$90,000.00	$3,457.76	*Dismissed*
DISP-3348674	58662-82	$37,841.69	$1,232.88	*Dismissed*

116. Three IDR disputes—DISP-3342353, DISP-3348709, and DISP-3348674—arose out of a single assistant surgeon claim by Women's Pelvic Surgery of New Jersey for elective gynecological surgical services rendered to a Horizon ERISA plan member. The provider billed $217,841.69 for assistant surgery services performed on April 22, 2024 by Dr. Kateryna Kolesnikova, including $90,000 for

service code 64999-82 (an unlisted procedure code used for surgical services on the nervous system), another $90,000 for the same service code 64999-82 billed on a separate claim line, and $37,841.69 for service code 58662-82 (indicating use of a laparoscope and instruments to remove or destroy lesions, cysts, or endometriosis on the ovaries, fallopian tubes, or pelvic peritoneum).

117. As Women's Pelvic Surgery of New Jersey and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The member's insurance card indicated that the member was covered by a plan that had opted into the New Jersey OON Act. Horizon's initial payment also included notice that the claim was subject to state law. After M&D Capital submitted the claim to the New Jersey arbitration process, Horizon increased its payment to $8,148.40, stating in the EOP that this represented its final reimbursement pursuant to the state law process. (As explained above, this payment was appropriately reduced based on the provider's assistant surgeon status for the procedure.)

118. Despite this, M&D Capital separately initiated the IDR process for each service line on the same claim, falsely attesting the services were IDR-eligible. Horizon objected to eligibility in all three proceedings. DISP-3348674 and DISP-3348709 were properly dismissed. DISP-3342353 was not.

119. In DISP-3342353, Maximus Federal Services ("Maximus") awarded $85,000—nearly the full amount of Women's Pelvic Surgery of New Jersey's $90,000 billed charges, and more than 24 times Horizon's final state-law payment of $3,457.76 for the service. Horizon also paid $840 in unnecessary IDR fees across all three proceedings.

Dispute No.	**Service Code**	**Billed Charge**	**Payment Under State Law**	**Federal IDR Payment Determination**
DISP-3444844	64999-82	$89,100	$4,362.08	$75,000
DISP-3444659	58999-82	$54,846	$347.28	*Dismissed*
DISP-3444627	45499-82	$49,351.50	$943.76	$45,000
DISP-3440550	58662-82	$37,463.27	$1,104.72	$35,000

120. Four IDR disputes—DISP-3444844, DISP-3444659, DISP-3444627, and DISP-3440550—arose out of a single claim by Women's Pelvic Surgery of New Jersey for elective gynecological surgical services rendered to a member of a Horizon ASO plan that had opted into the New Jersey OON Act. The provider billed $230,760.77 for services performed on that date, including $89,100 for service code 64999-82 (an unlisted procedure code used for surgical services on the nervous system), $54,846 for service code 58999-82 (an unlisted procedure code used for surgical services on the female genital system), $49,351.50 for service code 45499-82 (an unlisted procedure code for a laparoscopy on the rectum), and $37,463.27 for service code 58662-82 (indicating use of a laparoscope and instruments to remove or destroy lesions, cysts, or endometriosis on the ovaries, fallopian tubes, or pelvic

peritoneum). Modifier 82 on all of the services indicated that each was an assistant surgeon service.

121. As Women's Pelvic Surgery of New Jersey and M&D Capital were aware, the member's plan was subject to state law, and therefore, the New Jersey OON Act—not the NSA—governed the reimbursement rate for services. The member's insurance card indicated that the member was covered by a plan that had opted into the New Jersey OON Act. Horizon's payment also included notice that the claim was subject to state law. Horizon subsequently increased its payment to $6,757.84, stating in the EOP that this represented its final reimbursement pursuant to the state law process.

122. Despite this, M&D Capital separately initiated the IDR process for each service line on the same claim, falsely attesting the services were IDR-eligible. It initiated DISP-3444844 for service code 64999-82; DISP-3444659 for service code 58999-82; DISP-3444627 for service code 45499-82; and DISP-3440550 for service code 58662-82.

123. In DISP-3444844, the IDRE, Maximus Federal Services ("Maximus"), awarded $75,000—approximately 84% of billed charges and seventeen times more than Horizon's state-law payment of $4,362.08. In DISP-3444627, Maximus awarded $45,000—approximately 90% of billed charges and forty-seven times more than Horizon's state-law payment of $943.76. In DISP-3440550, Maximus awarded

$35,000—approximately 90% of billed charges and 31 times more than Horizon's state-law payment of $1,104.72. But in DISP-3444659, Maximus properly dismissed the dispute as ineligible for IDR based on the applicability of the New Jersey OON Act. Horizon paid $1,945 in unnecessary IDR fees across all four proceedings.

CLAIMS FOR RELIEF

COUNT I
VIOLATION OF THE NEW JERSEY INSURANCE FRAUD PREVENTION ACT ("IFPA")
N.J.S.A. §§ 17:33A-1 ET SEQ.

124. Horizon repeats and realleges the allegations in Paragraphs 1 through 123 in this Complaint as if fully set forth at length herein.

125. The IFPA's purpose "is to confront aggressively the problem of insurance fraud in New Jersey." The IFPA makes it unlawful to make any statement in support of an insurance claim "knowing that the statement contains any false or misleading information concerning any fact or thing material to the claim." It also makes it unlawful to assist, conspire with, or urge another person to violate the act, or to knowingly benefit, even indirectly, from the proceeds due to another person's violation of the act.

126. Pursuant to N.J.S.A. § 17:33A-7, "[a]ny insurance company damaged as the result of a violation of any provision of this act may sue therefore to recover compensatory damages, which shall include reasonable investigation expenses, costs of suit and attorneys fees." The insurance company is entitled to treble damages

when "the defendant has engaged in a pattern of violating this act." Horizon is an insurance company as defined by the IFPA.

127. As detailed in this Complaint, M&D Capital has engaged in a coordinated and conspiratorial scheme to (1) bill egregiously high amounts for the M&D Providers' services, far in excess of reasonable reimbursement, (2) submit ineligible services to the IDR process by making false representations and attestations of eligibility, and (3) capitalize on its false and misleading statements by submitting inflated requests for payment that the M&D Providers could never receive on the open market.

128. M&D Capital's billing practices, including billing multiple surgical codes on the same claim from the same operative session with the patient, combined with its practice of submitting separate IDR disputes for each of the surgical codes, constitutes the submission of false or misleading information to Horizon, as well as the Departments and IDREs.

129. M&D Capital has made and continues to make numerous false attestations of IDR eligibility for disputes it knows do not qualify for IDR. In particular, M&D Capital certifies that the items or services in dispute are "qualified item(s) and/or service(s) within the scope of the Federal IDR process" when, in fact, it knows that they are subject to the New Jersey OON Law and therefore not eligible

for federal IDR. M&D Capital submits those false statements in its notices of IDR initiation to Horizon, as well as the Departments and IDREs.

130. M&D Capital makes its false eligibility attestations in order to access the federal IDR process because it knows based on experience that the IDREs are highly likely to award it and the M&D Providers huge payments for the services involved in its IDR disputes, and far greater than what M&D Capital could obtain through negotiations with Horizon or through the state arbitration process. Without making those false attestations, M&D Capital could not achieve such outsized awards. M&D Capital's false statements of eligibility therefore materially support the claims it pursues on behalf of the M&D Providers. M&D Capital's false statements have and continue to cause damage to Horizon in the form of administrative and IDRE fees, unlawful IDR awards, and the costs of addressing M&D Capital's scheme, none of which would occur absent M&D Capital's false eligibility attestations.

131. M&D Capital knowingly assists and conspires with the M&D Providers to violate the IFPA by acting as their agent in submitting false eligibility attestations and misleading disaggregated IDR initiations in connection with IDR disputes regarding the M&D Providers' claims for items and services they provide. M&D Capital also benefits from the M&D Providers' violation of the IFPA by taking a percentage of the IDR awards enabled by the false eligibility attestations.

132. The specific false and misleading statements and submissions detailed in this complaint illustrate M&D Capital's pattern of violations of the IFPA, which includes many other such violations. M&D Capital is in the best position to know the details of every false or misleading statement or omission it made in support of claims to Horizon, and discovery is likely to uncover additional such acts.

COUNT II
ERISA CLAIM FOR EQUITABLE RELIEF

133. Horizon repeats and realleges the allegations in Paragraphs 1 through 123 as if fully set forth herein.

134. Horizon provides claims administration services for certain health benefit plans governed by ERISA. Those health benefit plans and their employer sponsors can delegate to Horizon discretionary authority to administer the IDR process.

135. ERISA authorizes a fiduciary of a health plan to bring a civil action to "enjoin any act or practice which violates any provision of this subchapter or the terms of the plan" or "to obtain other appropriate equitable relief (i) to redress such violations or (ii) to enforce any provisions of this subchapter or the terms of the plan." 29 U.S.C. § 1132(a)(3).

136. Section 1185e of ERISA sets out the rights and obligations of plans and medical providers with respect to the IDR process, including that the IDR process does not apply in situations where there is a specified state law. 29 U.S.C. § 1185e.

137. Section 1185e(c)(1)(B) requires the initiating party "to [submit] to the other party and to the Secretary [ ] a notification (containing such information as specified by the Secretary)" to initiate the IDR process. The Secretary requires initiating parties to including in this notification, among other things, "[a]n attestation that the items and services under dispute are qualified IDR items or services[.]"[65]

138. Through the acts described herein, M&D Capital has caused and continues to cause the overpayment of funds on behalf of ERISA-governed benefit plans through conduct that violates Section 1185e of ERISA. M&D Capital is continuing to engage in such improper conduct, including, but not limited to, using false attestations of eligibility to initiate IDR for disputes to which the New Jersey OON Act applies. This conduct causes ongoing harm to Horizon and the ERISA-governed benefit plans.

139. There is an actual case and controversy between Horizon and M&D Capital relating to the claims improperly submitted and adjudicated as part of the NSA IDR process. Horizon seeks an order enjoining M&D Capital from initiating IDR for services subject to New Jersey's specified state law, and ordering M&D

[65]29 C.F.R. § 2590.716-8(b)(2)(iii)(A)

Capital to provide restitution to Horizon's ERISA-governed plans for the harm caused by M&D Capital's violations of ERISA as described herein.

COUNT III
UNJUST ENRICHMENT

140. Horizon repeats and realleges the allegations in Paragraphs 1 through 123 as if fully set forth herein.

141. As detailed in this Complaint, M&D Capital falsely represented to Horizon, the Departments, and the IDREs that the services and/or items the M&D Providers rendered were eligible for the federal IDRE process when in fact those services and/or items were not eligible in order to secure payments from Horizon to which M&D Capital was and is not entitled.

142. M&D Capital obtained benefits from Horizon to which it was not entitled in the form of IDR awards for ineligible services.

143. Because M&D Capital secured money from Horizon through such illegal and unjust means, it would be unjust for M&D Capital to retain the benefit of that money.

144. Because M&D Capital was not entitled to the IDR award payments it obtained from Horizon for ineligible services, Horizon expected at the time, and continues to expect, that M&D Capital will remunerate it for its unjustly obtained payments.

COUNT IV
VACATUR OF IDR DETERMINATIONS
(Brought in the Alternative)

145. Horizon repeats and realleges the allegations in Paragraphs 1 through 123 contained in the Complaint as if fully set forth at length herein.

146. In the alternative to seeking relief on the aforementioned counts, Horizon seeks vacatur of individual IDR determinations under 42 U.S.C. § 300gg-111(c)(5)(E).

147. Each individual IDR determination at issue was procured by undue means and fraud, warranting vacatur pursuant to 42 U.S.C. § 300gg-111(c)(5)(E) and 9 U.S.C. § 10(a)(1).

148. Each individual IDR determination at issue involved partiality by the IDREs because their compensation depended on a finding of eligibility, warranting vacatur pursuant to 42 U.S.C. § 300gg-111(c)(5)(E) and 9 U.S.C. § 10(a)(2). The IDREs' pattern of disproportionately ruling in favor of providers and awarding sums grossly in excess of relevant QPAs and state IDR awards is further evidence of their partiality.

149. In each individual IDR determination at issue, the IDREs refused to hear evidence pertinent and material to showing that the underlying dispute was not eligible for IDR, warranting vacatur pursuant to 42 U.S.C. § 300gg-111(c)(5)(E) and 9 U.S.C. § 10(a)(3).

150. For each individual IDR determination at issue, the IDREs exceeded their powers by issuing payment determinations on items and services that are not qualified IDR items and services within the scope of the NSA's IDR process. This warrants vacatur pursuant to 42 U.S.C. § 300gg-111(c)(5)(E) and 9 U.S.C. § 10(a)(4).

151. Due to the conduct of M&D Capital, on behalf of the M&D Providers, the number of IDR payment determinations subject to Horizon's alternative claim for vacatur is expected to increase during the pendency of the case.

COUNT V
DECLARATORY AND INJUNCTIVE RELIEF

152. Horizon repeats and realleges the allegations in Paragraphs 1 through 150 contained in this Complaint as if fully set forth at length herein.

153. Horizon seeks a declaration that M&D Capital's conduct as described herein is unlawful. Horizon additionally seeks a declaration that IDR determinations for unqualified IDR items or services are not binding or subject to payment. It further seeks an injunction prohibiting M&D Capital from continuing to submit false attestations and initiate IDR for items or services that are not qualified for IDR, or from seeking to enforce non-binding IDR determinations entered on items and services not qualified for IDR.

154. With respect to health plans and claims governed by ERISA, this cause of action is alleged in the alternative to Count II, in the event that the Court determines that relief under Section 1132(a)(3) of ERISA is not available.

155. There is no adequate remedy at law to prevent the ongoing harm caused by M&D Capital's conduct.

PRAYER FOR RELIEF

WHEREFORE, Horizon respectfully requests that the Court award:

a. Monetary damages to the full extent allowed by law, including, but not limited to, compensatory damages, punitive damages, and treble damages;

b. Relief from all improperly-obtained NSA IDR awards;

c. Declaratory relief in the form of an order finding that M&D Capital's conduct in submitting false attestations and initiating IDR for unqualified IDR items or services is unlawful;

d. Declaratory relief in the form of an order finding that IDR awards for such unqualified IDR items or services are not binding;

e. Injunctive relief prohibiting M&D Capital from continuing to submit false attestations and from continuing to initiate IDR for items or services that are not qualified for IDR, or from seeking to enforce non-binding awards entered on items and services not qualified for IDR;

f. Declaratory that IDR awards issued on unqualified IDR items or services are non-binding and are not payable on a go-forward basis;

g. Pre- and post-judgment interest;

h. Costs, attorney's fees, and interest;

i. In the alternative, grant vacatur of the underlying IDR determinations; and

j. Such other and further relief as the Court deems just and proper.

JURY DEMAND

Horizon demands a trial by jury on all issues so triable.

Dated: June 23, 2026

Respectfully submitted,

By: */s/ Laura Schwartz*

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