

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

SOCIETY OF GENERAL INTERNAL
MEDICINE ET AL.,

Plaintiffs,

v.

ROBERT F. KENNEDY, JR. ET AL.,

Defendants.

Civil No. 25-2751-BAH

* * * * *

ORDER

The Agency for Healthcare Research and Quality (“AHRQ”), a component agency of the Department of Health and Human Services (“HHS”), is generally tasked with improving the quality and safety of healthcare delivery in the United States. In furtherance of AHRQ’s mission, Congress appropriated \$369 million to AHRQ for fiscal year 2025. Among other activities, AHRQ supports health services research through grant funding. Plaintiffs are two organizations—the Society of General Internal Medicine and the North American Primary Care Research Group—whose members (or in the case of one Plaintiff, itself) have grant applications pending with AHRQ and hope to receive a portion of the lump-sum funds appropriated to AHRQ. This lawsuit arises from Defendants Secretary of Health and Human Services Robert F. Kennedy, Jr., HHS, AHRQ Director Roger D. Klein, and AHRQ’s decision to allegedly halt AHRQ’s grantmaking program in the spring of 2025.¹

¹ Plaintiffs filed this lawsuit on August 21, 2025. ECF 1. The same day the lawsuit was filed, Plaintiffs filed a motion for a preliminary injunction, ECF 4, which the parties fully briefed, ECF 14 (Defendants’ response in opposition); ECF 15 (Plaintiffs’ reply). The Court held a hearing on that motion on September 11, 2025, but delayed ruling on the motion on account of representations

Plaintiffs' operative complaint asserts five counts under the Administrative Procedure Act. ("APA"): three counts alleging that Defendants' actions are contrary to law (Counts I–III), one count alleging that Defendants' actions are arbitrary and capricious (Count IV), and one count alleging that Defendants have unlawfully withheld or unreasonably delayed agency action (Count V). ECF 1.² Pending before the Court is Plaintiff's motion for leave to file an amended complaint. See ECF 41. Defendants filed an opposition. See ECF 43. Plaintiffs replied. See ECF 44. Also pending before the Court is Defendants' motion to dismiss the original complaint. See ECF 33. Plaintiffs filed an opposition, see ECF 34, and Defendants filed a reply, see ECF 37.³ The Court has reviewed all relevant filings and finds that no hearing is necessary. See Loc. R. 105.6 (D. Md. 2025). For the reasons stated below, the motion to amend is **GRANTED**. The motion to dismiss is **DENIED as MOOT** but can be re-filed to address the new allegations and claims raised in the amended complaint.

The Court will provide some basic background and then proceed directly to evaluating the request to amend the complaint. In short, Plaintiffs allege in their initial complaint that "[d]espite the critical and statutorily required support for health services research that AHRQ provides through its grantmaking program," Defendants "have shut down AHRQ's grantmaking program" by "destroy[ing] the agency's capacity to process grant applications, with[olding] decisions on

the parties made at the hearing indicating that a preliminary injunction could be unnecessary to preserve the status quo. ECF 17. The parties then provided a joint status report to the Court on September 18, 2025, ECF 19, and Plaintiffs contemporaneously filed an unopposed motion for an order extending the obligation date of AHRQ's fiscal year 2025 appropriations, ECF 20, thereby mooting the preliminary injunction.

² The Court references all filings by their respective ECF numbers and page numbers by the ECF-generated page numbers at the top of the page.

³ Defendants also filed a notice related to the case, see ECF 38, which Plaintiffs have responded to, see ECF 39.

pending grant applications, and refus[ing] to spend appropriated funds on the high-priority healthcare research that Congress wanted the agency to support.” ECF 1, at 3–4 ¶ 5. Plaintiffs’ initial complaint raised four claims “challenging Defendants’ action halting all grantmaking activity at AHRQ, as well as one claim that Defendants unreasonably delayed or unlawfully withheld responses on Plaintiffs’ members’ pending grant applications.” ECF 41-1, at 2. Plaintiffs seek to amend their complaint to include allegations and claims related to a recent notice from AHRQ related to 150 additional grants, “as well as to otherwise update the existing allegations and claims to account for developments since the filing of the complaint one year ago.” ECF 41-1, at 2.

Defendant’s opposition is largely based on the argument that Plaintiffs’ proposed amendments “do nothing to support Plaintiffs’ current causes of action or to resolve the pleading and jurisdictional deficiencies identified in Defendants’ Motion to Dismiss,” which, as noted, is currently pending. ECF 43, at 4.

I. LEGAL STANDARD

Plaintiffs’ motion is based on Federal Rule of Civil Procedure 15(a). This rule requires courts to “freely give leave [to amend] when justice so requires.” Fed. R. Civ. P. 15(a)(2). While it is within the discretion of a district court to deny leave to amend,⁴ “[i]f the underlying facts or circumstances relied upon by a plaintiff may be a proper subject of relief, he ought to be afforded an opportunity to test his claim on the merits.” *Foman v. Davis*, 371 U.S. 178, 182 (1962). Further, “[i]n the absence of any apparent or declared reason—such as undue delay, bad faith or dilatory

⁴ The decision to deny leave to amend under Rule 15(a) is typically reviewed for abuse of discretion. *In re Triangle Cap. Corp. Sec. Litig.*, 988 F.3d 743, 749 (4th Cir. 2021). However, “if the decision is based on futility grounds for failure to state a claim under Rule 12(b)(6), [a reviewing court] will perform a de novo review.” *Id.* (citing *United States ex rel. Ahumada*, 756 F.3d 268, 274 (4th Cir. 2014)).

motive on the part of the movant, repeated failure to cure deficiencies by amendments previously allowed, undue prejudice to the opposing party by virtue of allowance of the amendment, futility of amendment, etc.—the leave sought should, as the rules require, be ‘freely given.’” *Id.* (citing Fed. R. Civ. P. 15(a)). Consistent with this directive, the Fourth Circuit has explicitly directed trial courts “to liberally allow amendment.” *Galustian v. Peter*, 591 F.3d 724, 729 (4th Cir. 2010).

A proposed amendment is futile when it “is clearly insufficient or frivolous on its face.” *Johnson v. Oroweat Foods Co.*, 785 F.2d 503, 510 (4th Cir. 1986); *see also* 6 Arthur R. Miller, et al., *Federal Practice and Procedure* § 1487 (3d. ed. 2010) (“[A] proposed amendment that clearly is frivolous, advancing a claim or defense that is legally insufficient on its face, or that fails to include allegations to cure defects in the original pleading, should be denied.” (footnotes omitted)). This review for futility “does not involve ‘an evaluation of the underlying merits of the case.’” *Kolb v. ACRA Control, Ltd.*, 21 F. Supp. 3d 515, 522 (D. Md. 2014) (quoting *MTB Servs., Inc. v. Tuckman-Barbee Constr. Co.*, Civ. No. RDB-12-2109, 2013 WL 1819944, at *3 (D. Md. Apr. 30, 2013)). “To the contrary, ‘[u]nless a proposed amendment may clearly be seen to be futile because of substantive or procedural considerations, . . . conjecture about the merits of the litigation should not enter into the decision whether to allow amendment.’” *Next Generation Grp., LLC v. Sylvan Learning Ctrs., LLC*, Civ. No. CCB-11-0986, 2012 WL 37397, at *3 (D. Md. Jan. 5, 2012) (quoting *Davis v. Piper Aircraft Corp.*, 615 F.2d 606, 613 (4th Cir. 1980)) (alterations in *Next Generation Grp., LLC*).

II. ANALYSIS

Defendants have consistently maintained that Plaintiff’s lawsuit must fail because “nothing requires AHRQ to spend more of its lump-sum appropriations on its discretionary grant program” than it has chosen to spend. ECF 43, at 6. As such, Defendants argue that any proposed amendments are futile because they do not materially alter the allegations in the original complaint

nor do they alter the primary basis Defendants raise for dismissal. *Id.* at 8. In addition, Defendants claim that Plaintiffs' already tenuous standing is further eroded by claims raised in the proposed amended complaint. *Id.* at 6. Further, Defendants argue that "Plaintiffs' proposed amendments also substantially weaken their arguments regarding the existence of a discrete and final agency action" and that Plaintiffs' new cause of action—count III, asserting an APA contrary-to-law claim—is "substantially identical to Count II and should be dismissed for the same reasons that Defendants have sought to dismiss Count II[.]" *Id.* at 7. In essence, Defendants ask the Court to apply Fed. R. Civ. P. 12(b)(1) and 12(b)(6) and to deny the proposed amended complaint for the reasons raised (and briefed) in the pending motion to dismiss addressing the initial complaint.

"There is no question, to be sure, that leave to amend would be futile when an amended complaint could not survive a Rule 12(b)(6) motion." *Aura Light US Inc. v. LTF Int'l LLC*, Civ. Nos. GLR-15-3198 & GLR-15-3200, 2017 WL 2506127, at *5 (D. Md. June 8, 2017) (citing *U.S. ex rel. Wilson v. Kellogg Brown & Root, Inc.*, 525 F.3d 370, 376 (4th Cir. 2008)). The Fourth Circuit has "made clear that district courts are free to deny leave to amend as futile if the complaint fails to withstand Rule 12(b)(6) scrutiny." *In re Triangle Cap. Corp. Sec. Litig.*, 988 F.3d at 750. Further, "[w]hile a challenge to a plaintiff's standing is properly considered under Rule 12(b)(1), it follows that a district court may also deny leave to amend as futile where the proposed amended complaint fails for lack of standing." *Evans v. Am. Collection Enter.*, 624 F. Supp. 3d 593, 598 (D. Md. 2022). "That being said," however, "it does not follow that every plaintiff seeking leave to amend claims must demonstrate that the claims can withstand a Rule 12(b)(6) motion." *Sulton v. Baltimore Cnty.*, Civ. No. SAG-18-2864, 2021 WL 82925, at *3 (D. Md. Jan. 11, 2021). "Such a requirement would render superfluous the Fourth Circuit's definition of a futile claim as one that is 'clearly insufficient or frivolous on its face,' and would run contrary to the Fourth Circuit's well-

established ‘policy to liberally allow amendment in keeping with the spirit of Federal Rule of Civil Procedure 15(a).’” *Id.* (first quoting *Johnson*, 785 F.2d at 510, then quoting *Galustian*, 591 F.3d at 729). Moreover, Plaintiffs allege that as it relates to the Rule 12(b)(1) challenge, Plaintiffs have cured any standing issues and have “carefully explain[ed] that each organization has members injured by Defendants[.]” ECF 44, at 8. Plaintiffs also articulate two final agency actions that they challenge: “the halt of AHRQ’s review process for grant applications” and “the mass denial of continuation awards in July 2026.” *Id.* at 9. Thus, the Court cannot say that the proposed amended complaint is “clearly insufficient or frivolous on its face.” *Sulton*, 2021 WL 82925, at *3 (quoting *Johnson*, 785 F.2d at 510).

Although Defendants raise potentially meritorious arguments in favor of dismissal, the Court finds that the application of the Rule 12 standards at issue to be better applied in the context of formal briefing that addresses *all* of the grant applications at issue, including those included in the July 15, 2026, notice that give rise to the proposed amended complaint. The Court acknowledges the practical result of this decision will likely be the simple re-filing of a motion to dismiss in a re-tooled format that addresses new and old claims alike. This will ensure that a broader scope of acts will be scrutinized, thus avoiding duplicative litigation and promoting judicial economy. And “[t]hough this procedure is somewhat lacking in efficiency, in this Court’s view, the cleanest record will be produced by permitting Plaintiffs’ [] Amended Complaint to be filed, and then asking Defendants re-file their arguments in favor of dismissal for this Court’s substantive consideration under the Rule 12(b)(6) standard.” *Sulton*, 2021 WL 82925, at *3.

In making this decision, the Court notes that there is no claim raised that the amendment will cause unfair prejudice to Defendants. “Whether an amendment would be prejudicial is a factual determination. Courts look at the nature of the proposed amendment, the purpose of the

amendment, and the time when the amendment was filed.” *Equal Rights Ctr. v. Archstone Smith Trust*, 603 F. Supp. 2d 814, 818 (D. Md. 2009) (citing *Laber v. Harvey*, 438 F.3d 404, 427 (4th Cir. 2006)). The Fourth Circuit has explained that

[a] common example of a prejudicial amendment is one that “raises a new legal theory that would require the gathering and analysis of facts not already considered by the [opposing party, and] is offered shortly before or during trial.” An amendment is not prejudicial, by contrast, if it merely adds an additional theory of recovery to the facts already pled and is offered before any discovery has occurred.

Laber, 438 F.3d at 427 (citation omitted). It appears uncontested that the amended complaint primarily adds additional uncontested facts related to grant decisions and relies on largely the same legal theories underlying the original complaint.⁵ Further, potential trial implications are non-existent since “claims brought under the APA are adjudicated without a trial or discovery, on the basis of an existing administrative record[.]” *Audubon Naturalist Soc. of the Cent. Atl. States, Inc. v. Dep’t of Transp.*, 524 F. Supp. 2d 642, 660 (D. Md. 2007) (citing *Citizens for the Scenic Severn River Bridge, Inc. v. Skinner*, 802 F. Supp. 1325, 1332 (D. Md. 1991), *aff’d*, 972 F.2d 338 (4th Cir. 1992)). Accordingly, the Court finds that the best course of action is to permit the filing of the amended complaint.

“The general rule . . . is that an amended pleading supersedes the original pleading, rendering the original pleading of no effect.” *Young v. City of Mount Ranier*, 238 F.3d 567, 573 (4th Cir. 2001); *see also Fawzy v. Wauquiez Boats SNC*, 873 F.3d 451, 455 (4th Cir. 2017) (“Because a properly filed amended complaint supersedes the original one and becomes the operative complaint in the case, it renders the original complaint ‘of no effect.’”). Since the Court

⁵ As noted, though the proposed amended complaint raises a new claim, Defendants argue that it is “substantially identical” to an existing claim. ECF 43, at 7. Thus, the proposed amended complaint cannot be said to surprise Defendants with new arguments or legal theories that might constitute prejudice.

is permitting the filing of the amended and supplemental complaint, the pending motion to dismiss, ECF 33, is deemed moot and must be re-filed to address the new complaint. *See, e.g., Colin v. Marconi Commerce Systems Employees' Retirement Plan*, 335 F.Supp.2d 590, 614 (M.D.N.C. 2004) ("Earlier motions made by Defendants were filed prior to and have been rendered moot by Plaintiffs' filing of the Second Amended Complaint"); *Ledford v. Eastern Band of Cherokee Indians*, No. 1:20-CV-005-MR-DCK, 2020 WL 1042235 at *1 (W.D.N.C. March 3, 2020) ("It is well settled that a timely-filed amended pleading supersedes the original pleading, and that motions directed at superseded pleadings may be denied as moot.").

III. CONCLUSION

For the foregoing reasons, ECF 33 is **DENIED AS MOOT** and ECF 41 is **GRANTED**. Plaintiffs are **GRANTED** leave to amend the complaint, and the Clerk is instructed to docket the amended and supplemental complaint, ECF 43-2. The Court reiterates that the motion to dismiss is denied without prejudice and with the understanding that Defendants will likely file a motion to dismiss addressing all claims, new and old, after the amended complaint is docketed.

Dated: September 3, 2026

/s/
Brendan A. Hurson
United States District Judge