AIMEDALLIANCE

Litigation & Case Law TRACKER

October 8, 2025

Aimed Alliance's *Litigation & Case Law Tracker* summarizes developments in legal cases and the law that could affect the rights of U.S. health care consumers and providers. This quarterly publication also highlights the judicial-branch advocacy efforts of Aimed Alliance and its not-for-profit allies.

This edition of our *Litigation & Case Law Tracker* covers the period from July 8 through October 3, 2025.

We welcome feedback at policy@aimedalliance.org.

Federal Policy Challenges

States Lose Motion to Temporarily Block ACA Rule Changes; Cities Win Bid in Similar Case

October 1 – The U.S. District Court for the District of Massachusetts denied a motion for preliminary injunction filed by a group of 21 states that sought to block several provisions of the Marketplace Affordability and Integrity Rule, which was finalized by Centers for Medicare and Medicaid Services (CMS) in June and intended to reduce purported fraud and improper enrollments in Affordable Care Act (ACA) marketplace plans. The court found that the states failed to demonstrate that they would suffer imminent or irreparable harm if the preliminary injunction was not granted. "In resolving this motion, the element of irreparable harm presents the most critical issue," the court noted.

The plaintiffs had argued that the final rule is arbitrary and capricious in violation of the Administrative Procedure Act (APA) because it makes invalid changes to the ACA marketplace, erects new barriers to enrollment, and ultimately drives up costs incurred by the plaintiff states in providing health care. According to the complaint, "The Final Rule truncates and eliminates enrollment periods, makes enrollment more difficult, adds eligibility verification requirements, and erects unreasonable barriers to coverage—making sweeping changes that reach far beyond and bear little relation to the primary harm HHS asserted as its justification: fraudulent enrollment by insurance brokers and agents." Additionally, they argued the rule would exclude gender-affirming

care from the federal definition of essential health benefits, which could create new cost burdens on states that mandate coverage for such care.

The states' loss likely is largely limited by an order issued on August 22 by the U.S. District Court for the District of Maryland that partially granted a preliminary injunction to three cities, a coalition of doctors, and an interest group representing small businesses, holding that certain provisions of the rule are either contrary to law or arbitrary and capricious in violation of the APA. There, the plaintiffs challenged several of the same provisions at issue in the states' case, claiming that they would incur increased costs from the rule change because of increases in uninsured and underinsured individuals. Unlike the states, the cities' case did not challenge the provision related to gender-affirming care.

Notably, the Maryland federal court found that the limiting principle on universal or national injunctions set forth in recent precedent does not apply to APA cases like the one before it, and that limiting the court's holding to the plaintiffs in the instant case would be impractical. "The complicated interplay between the ACA and numerous market actors would make it exceedingly difficult if the challenged provisions went into effect for some of the population served by the Exchange but were stayed as to others," the court explained.

The states' case is State of California et al. v. Robert F. Kennedy et al., case number 25-cv-12019, in the U.S. District Court for the District of Massachusetts. The municipalities' case is City of Columbus et al. v. Robert F. Kennedy Jr. et al., case number 1:25-cv-02114, in the U.S. District Court for the District of Maryland.

Court Dismisses HHS Website Purging Case After Parties Announce Settlement

September 26 – A lawsuit brought by several organizations accusing HHS and several of its agencies of unlawfully deleting public health information from federal websites and databases has been settled. The U.S. District Court for the Western District of Washington dismissed the case with prejudice after the parties announced that they reached an agreement to resolve the case, but noted that either party could move to reopen the case within 60 days if the parties are unable to perfect their settlement.

The case is Washington State Medical Association et al. v. Robert F. Kennedy Jr. et al., case number 2:25-cv-00955, in the U.S. District Court for the Western District of Washington.

A previous summary of this case can be found in the July edition of our *Litigation & Case Law Tracker*.

First Circuit Pauses Preliminary Injunctions that Blocked Planned Parenthood Cuts

September 11 – The U.S. Court of Appeals for the First Circuit paused two preliminary injunctions issued by the U.S. District Court for the District of Massachusetts. These injunctions had temporarily blocked budget legislation that would stop federal Medicaid funding for nonprofit organizations providing abortion services and meeting certain other criteria. The pause will remain in place while the government's appeal is pending.

The district court had previously issued a preliminary injunction on July 28, blocking enforcement of the defunding provision against all Planned Parenthood Federation members, regardless of whether they provide abortion services. The court found that the plaintiffs were likely to succeed on claims that the provision was an unconstitutional bill of attainder, violated their First Amendment right of association, and breached equal protection principles. This ruling expanded on an earlier order that applied only to certain Planned Parenthood clinics.

Just one day after the district court issued its July 28 injunction, more than 20 states and the District of Columbia filed a separate lawsuit challenging the same defunding provision. Their suit argues that the legislation unlawfully restricts Medicaid coverage for non-abortion services, such as wellness checkups, offered by Planned Parenthood and similar organizations. The states are asking the court to declare the provision unconstitutional and permanently block its enforcement.

The appeals are Planned Parenthood Federation of America Inc. et al. v. Robert F. Kennedy Jr. et al., case numbers 25-1698 and 25-1755, in the U.S. Court of Appeals for the First Circuit. The states' case is State of California et al. v. U.S. Department of Health and Human Services et al., case number 1:25-cv-12118, in the U.S. District Court for the District of Massachusetts.

Supreme Court Pauses Order That Blocked NIH Grant Terminations

August 21 – In a 5-4 decision, the Supreme Court paused, pending appeal, the order of the U.S. District Court for the District of Massachusetts reversing the Trump administration's termination of research grants to universities and other recipients. Writing for the majority, Justice Barrett agreed that the district court properly heard the plaintiffs' APA challenge to the government's grant terminations. She pointed out that, without the Supreme Court's order, the government could be seriously harmed because, if the grant money is spent by the recipients yet the government later wins the case, the government will not be able to get the federal funds back.

The case is National Institutes of Health et al. v. American Public Health Association et al., number 25A103, in the Supreme Court of the United States. The district court case is Massachusetts et al. v. Kennedy et al., number 1:25-cv-10814, in the U.S. District Court for the District of Massachusetts.

A summary of previous proceedings in the district court case can be found in the July edition of our *Litigation & Case Law Tracker*.

Court Blocks HHS and DHS Medicaid Data Sharing for Immigration Enforcement

August 14 – The U.S. District Court for the Northern District of California issued a partial preliminary injunction blocking the Department of Homeland Security (DHS) from using Medicaid data obtained from the plaintiff states for immigration enforcement purposes. Additionally, the order temporarily barred the U.S. Department of Health and Human Services (HHS) from sharing such data with DHS for immigration enforcement purposes. The court ruled that the plaintiffs were likely to succeed on their claim that the government violated the APA by failing to engage in a "reasoned decisionmaking process" before changing longstanding policies related to data sharing between CMS and DHS for immigration purposes. A group of 20 states, led by California, brought the suit on July 1 challenging the data-sharing arrangement between HHS and DHS.

The case is State of California et al. v. U.S. Department of Health and Human Services et al., case number 3:25-cv-05536, in the U.S. District Court for the Northern District of California.

Aimed Alliance is monitoring the following cases relating to federal policy challenges. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker.*

- **State of Colorado et al. v. U.S. Department of Health and Human Services et al.**, No. 1:25-cv-00121, in the U.S. District Court for the District of Rhode Island.
- **American Academy of Pediatrics et al. v. Robert F. Kennedy Jr. et al.**, No. 1:25-cv-11916, in the U.S. District Court for the District of Massachusetts.

Alternative Funding Providers

Court Denies Bulk of Payer Matrix's Motion to Dismiss AbbVie Lawsuit

August 15 – The U.S. District Court for the Northern District of Illinois granted in part and denied in part Payer Matrix's motion to dismiss a lawsuit filed by AbbVie in May 2023, which accuses the alternative funding provider of misconduct related to AbbVie's patient assistance and copay assistance programs, as well as practices involving drug switching and international drug sourcing. The court dismissed with prejudice AbbVie's claims brought under the Illinois Consumer Fraud and Deceptive Business Practices Act but allowed the drugmaker to move forward with most of its other claims. Notably, the court held that AbbVie stated claims on three of four counts under the

Racketeer Influenced and Corrupt Organizations Act (RICO), sufficiently pleading that Payer Matrix and certain PBMs shared the common purpose of defrauding AbbVie's programs.

Subject to certain limitations set forth in the opinion, the court also allowed parts of AbbVie's claims of false association and false advertising under federal law, and claims of deceptive practices, tortious interference, and common law fraud under state law. To the extent the court found deficiencies in AbbVie's pleadings, the court granted AbbVie leave to file a second amended complaint, which it filed on the court's August 29 filing deadline.

The case is AbbVie Inc. v. Payer Matrix LLC, case number 1:23-cv-02836, in the U.S. District Court for the Northern District of Illinois.

A previous summary of this case can be found in the April edition of our *Litigation & Case Law Tracker*.

Aimed Alliance is monitoring the following cases relating to alternative funding providers. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker.*

- **Paydhealth, LLC v. Dawn G. Holcombe, d/b/a DGH Consulting**, No. 2:24-cv-00259, in the U.S. District Court for the Eastern District of Pennsylvania.
- **Johnson & Johnson Health Care Systems, Inc. v. Save On SP, LLC; Express Scripts Inc.; and Accredo Health Group, Inc.**, No. 2:22-cv-02632, in the U.S. District Court for the District of New Jersey.
- **Sharx, LLC v. AbbVie Inc.**, No. 2024-L-000264, in the Circuit Court of Cook County, Illinois.
- **Gurwitch v. Save On SP LLC**, No. 1:25-cv-00006, in the U.S. District Court for the Western District of New York.

Compounding

Court Declines to Approve Settlement in Eli Lilly Trademark Infringement Case

September 23 – The U.S. District Court for the Western District of Washington refused to enter a consent judgment in a case brought by Eli Lilly against two clinics it claimed illegally promoted compounded tirzepatide as the drugmaker's brand name weight loss drugs, Mounjaro and Zepbound. In August, the litigants informed the court that they reached a settlement and filed a joint motion to approve a consent judgment. They also asked the court to issue a permanent injunction consistent with their settlement terms which, among other things, would prohibit the clinics from using the plaintiff's trademarks to promote compounded tirzepatide medications and

representing such drugs as generic versions of Lilly's medications. However, the court held that the parties did not provide the court material information about the proposed consent judgment and also failed to demonstrate that a permanent injunction would be appropriate. The court dismissed the parties' joint motion without prejudice, meaning the parties may amend and refile their motion after addressing issues set forth by the court.

The case is Eli Lilly & Co. v. Alderwood Surgical Center LLC et al., case number 2:24-cv-00878, in the U.S. District Court for the Western District of Washington.

Novo Nordisk Files 14 New Lawsuits Over Compounded Semaglutide Drugs

August 5 – Novo Nordisk published a press release announcing the filing of 14 new lawsuits "to safeguard patients from unsafe and unapproved compounded drugs claiming to contain semaglutide", the active ingredient in the drugmaker's two GLP-1 medications. As of August 5, the company had filed over 130 lawsuits in federal courts across 40 states against companies they claim engage in illegal marketing and business practices that put consumer safety at risk.

The latest round of lawsuits "allege that telehealth providers violate state corporate practice of medicine laws by improperly influencing doctors' decisions and steering patients toward knockoff compounded 'semaglutide' under the false guise of personalized medicine." For example, on August 4t, Novo filed suit against Mochi Health, a telehealth platform that offers weight loss treatments, alleging false and misleading advertising and promotion in violation of the federal Lanham Act, and violations of several California laws, including false advertising, unfair competition, and corporate practice of medicine.

Notably, Eli Lilly, which also manufactures two popular GLP-1 medications, has similarly filed several lawsuits against companies it claims unlawfully make, market, and sell compounded "knock-offs" of its drugs, alleging violations of the Lanham Act and state deceptive trade practices statutes. We are monitoring those cases.

The Mochi case is Novo Nordisk A/S et al. v. Mochi Health Corp. et al., number 5:25-cv-06563, in the U.S. District Court for the Northern District of California.

Connecticut AG Settles Case Against Seller of Research-Grade GLP-1 Compounds

August 5 – Connecticut's Attorney General settled its case against a Florida-based company, its owner, and several related corporate entities that the AG claimed illegally sold research-grade GLP-1 inhibitors to Connecticut consumers. Under the stipulated judgment, the defendants agreed to cease marketing and selling research-grade GLP-1 products to consumers within 30 days. The

defendants must pay $18,500 to the state under the deal but will be liable for an additional $281,500 if they breach any term of the stipulated judgment.

The case is State of Connecticut v. Y-Consulting LLC et al., case number HHD-CV25-6204578, in the Hartford Judicial District of the Connecticut Superior Court.

A previous summary of this case can be found in the July edition of our *Litigation & Case Law Tracker*.

Hims & Hers Face Shareholder Derivative Suit Over Sale of Compounded GLP-1s

July 16 – A shareholder of Hims & Hers Health Inc. filed a shareholder derivative suit in California federal court accusing the telehealth company's board and executive officers of fiduciary breaches, gross mismanagement, and wasting corporate assets, among other claims. The complaint also claims some of the defendants engaged in insider trading. The suit stems from statements made by the company about its sale of GLP-1 products for weight loss and diabetes, including compounded injectable semaglutide.

According to the complaint, two months after FDA removed semaglutide from the drug shortage list, Hims & Hers announced a collaboration with Novo Nordisk that would allow it to sell Wegovy, the drugmaker's branded semaglutide medication, through the Hims & Hers platform. However, Novo announced an end to the relationship in June after it accused the company of unlawfully marketing and selling compounded versions of the drugmaker's products, causing the price of the telehealth company's shares to plummet. The shareholders allege that Hims made certain statements about the Novo collaboration that "were materially false and misleading, and failed to disclose materially adverse facts about the Company's business and operations. Specifically, the statements failed to disclose that the collaboration with Novo Nordisk hinged on the Company's continued sale of compounded semaglutide, and that the Company engaged in deceptive marketing to sell compounded semaglutide that was potentially made in an illegal manner."

The FDA removed semaglutide from its drug shortage list in February 2025. During the period semaglutide was on the shortage list, companies could offer compounded copy-cat versions of branded semaglutide so long as certain conditions were met under federal law. FDA-approved drugs not on the shortage list can only be compounded under very limited circumstances.

The case is Jones v. Dudum et al., case number 3:25-cv-05866, in the U.S. District Court for the Northern District of California.

Aimed Alliance is monitoring the following additional cases relating to drug compounding. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker*.

- **Eli Lilly and Company v. Empower Clinic Services LLC**, No. 4:25-cv-03464, in the U.S. District Court for the Southern District of Texas.
- **Eli Lilly and Company v. Strive Pharmacy LLC**, No. 1:25-cv-00401, in the U.S. District Court for the District of Delaware.
- **Outsourcing Facilities Association et al. v. FDA et al.**, No. 4:25-cv-00174, in the U.S. District Court for the Northern District of Texas.
- **Outsourcing Facilities Association et al. v. FDA et al.**, No. 4:24-cv-00953, in the U.S. District Court for the Northern District of Texas.

Drug Importation

Aimed Alliance is monitoring **Gilead Sciences, et al. v. Meritain Health, Inc., et al.**, No. 1:24-cv-03566-JRR, in the U.S. District Court for the District of Maryland. We will report any substantive developments in this matter and other relevant cases related to drug importation in future editions of our *Litigation & Case Law Tracker*.

Drug Price Caps

Third Circuit Rejects Drugmakers' Medicare Drug Price Negotiation Appeals

September 11 – The Third Circuit upheld a New Jersey district court's decision to grant summary judgment to the government in a challenge to the Medicare Drug Price Negotiation Program, rejecting Novartis's argument that the program is unconstitutional because it violates the Eighth Amendment by imposing excise taxes that amount to an excessive fine; violates the Fifth Amendment by taking the drugmaker's property without just compensation; and violates the First Amendment by compelling the drugmaker to speak. The court's opinion focused largely on Novartis's excessive fine argument. It held that the claim is barred by the Tax Anti-Injunction Act, which prohibits lawsuits intended to restrain the assessment or collection of any tax. The court touched very briefly on Novartis's two other claims, referring to the court's decision from one week prior in a similar appeal by other drugmakers, as summarized below.

September 4 – In a consolidated appeal from Bristol Myers Squibb and Janssen, a split Third Circuit panel affirmed a U.S. District Court for the District of New Jersey's ruling that sided with the government in the drugmakers' constitutional challenge to the Medicare Drug Price Negotiation Program. The panel majority disagreed with the companies' arguments that the program effects an uncompensated taking of their property, compels speech in violation of the First Amendment, and imposes unconstitutional conditions on participation. Instead, the panel held that program participation is voluntary and not a government mandate to give up the use of private property.

Further, it held that the program does not infringe on the First Amendment because any effect on the companies' speech is merely incidental to the regulation of conduct under a negotiated contract, and given that the program is voluntary, the companies are not forced to speak at all.

The cases are Bristol Myers Squibb Co. v. Secretary United States Department of HHS, case number 24-01820; and Janssen Pharmaceuticals Inc. v. Secretary United States Department of HHS, et al., case number 24-01821, in the U.S. Court of Appeals for the Third Circuit.

Trump Admin. Granted Another Win In Medicare Drug Price Negotiation Challenge

August 7 – The U.S. District Court for the Western District of Texas granted HHS's motion for summary judgment in a case brought by Pharmaceutical Research and Manufacturers of America (PhRMA) and two other nonprofit groups challenging the constitutionality of the Medicare Drug Price Negotiation Program. The court rejected plaintiff'' argument that the Inflation Reduction Act (IRA), which established the program, violates separation of powers by giving HHS "unconstrained discretion to set prices for drugs without clear statutory guidance or meaningful judicial review", holding that the program is a constitutional delegation to HHS and CMS. It also disagreed with the plaintiffs' claims that the IRA deprives them of a protected interest under the Due Process Clause, and that the IRA's excise tax provisions violated the Eighth Amendment's excessive fines clause.

The case is National Infusion Center Association et al. v. Kennedy et al., case number 1:23-cv-00707, in the U.S. District Court for the Western District of Texas.

Aimed Alliance is monitoring numerous cases relating to drug price caps, including those listed below. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker*.

- **Amgen Inc. v. Colorado Prescription Drug Affordability Review Board**, No. 2025-1641, in the U.S. Court of Appeals for the Federal Circuit.
- **Novo Nordisk, Inc., et al. v. Secretary United States Department of HHS**, et al., No. 24-2510, in the U.S. Court of Appeals for the Third Circuit.

340B Drug Pricing and Medicaid Best Price

Fifth Circuit Rejects Effort to Preliminarily Block Mississippi Contract Pharmacy Law

September 12 – A Fifth Circuit panel affirmed the denial of a group of drugmakers' motion for preliminary injunction seeking to block a Mississippi law that prohibits drug manufacturers from interfering with the distribution of 340B discounted drugs to low-income patients by contract pharmacies. The court held that the district court did not err by finding that the plaintiffs are not likely to succeed on the merits of their claims that 1) the law effectuates an unconstitutional taking

of property because it compels the drugmakers to transfer drugs at significant discounts to private, for-profit pharmacies, rather than for a "public use"; and 2) that the state law is preempted by federal law because it expands manufacturers' obligations under the 340B program and brings its own enforcement scheme to bear.

The case is AbbVie Inc. et al. v. Lynn Fitch, case number 24-60375, in the U.S. Court of Appeals for the Fifth Circuit.

CVS to Pay $12 Million to Settle Allegations It Overbilled Mass. Medicaid Program

August 27 – The Massachusetts Attorney General's office announced that it reached a $12.25 million settlement of allegations that CVS Pharmacy, Inc. charged MassHealth higher prices than it offered the general public for the same drugs. State regulations require pharmacies to charge MassHealth the lowest price they charge any other customer. However, CVS allegedly offered lower prices to cash-paying customers through its ScriptSave discount program but failed to report and bill the lower rates to MassHealth. As part of the settlement, CVS will adopt an annual reconciliation process in which it reviews prescription pricing for MassHealth members to ensure that the program is not overcharged.

The complaint was jointly filed by the attorneys general of Connecticut, Indiana, and Oklahoma and followed a whistleblower lawsuit filed in the U.S. District Court for the District of Columbia.

The case is United States of America et al., ex rel. John Doe v. CVS Health Corp. et al., case number 1:16-cv-02359, in the U.S. District Court for the District of Columbia.

HHS Announces Plans for a 340B Drug Rebate Pilot Program

July 31 – HHS and the Health Resources and Service Administration (HRSA) published a notice announcing the 340B Rebate Model Pilot Program. The voluntary pilot program will allow participating drug manufacturers to stop providing upfront drug discounts to 340B hospitals and instead require the hospitals to apply for rebates after first purchasing drugs at a higher upfront price. The pilot program is open only to drugs subject to 2026 Medicare Drug Price Negotiation Program Agreements and will run a minimum of one year. Manufacturers that choose to participate must meet certain requirements; namely, they must provide "assurances that all costs for data submission through an Information Technology (IT) platform be borne by the manufacturer and no additional administrative costs of running the rebate model shall be passed onto the covered entities."

Aimed Alliance is monitoring the following additional cases relating to state laws affecting the federal 340B drug pricing program. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker*.

- **AbbVie Inc., et al. v. Fitch**, No. 24-60375, in the U.S. Court of Appeals for the Fifth Circuit.
- **AbbVie Inc., et al. v. Jackley, et al.**, No. 3:25-cv-30006, in the U.S. District Court for South Dakota.
- **AbbVie Inc. et al. v. Philip Weiser et al.**, No. 1:25-cv-01847, in the U.S. District Court for the District of Colorado.
- **AbbVie Inc., et al. v. Wrigley, et al.**, No. 1:25-cv-00081, in the U.S. District Court for North Dakota.
- **Pharmaceutical Research & Manufacturers of America v. John McCuskey**, No. 25-1054, in the U.S. Court of Appeals for the Fourth Circuit.

False Claims Act

Aimed Alliance is monitoring **United States of America ex rel. Andrew Shea v. eHealth Inc. et al.**, No. 1:21-cv-11777, in the U.S. District Court for the District of Massachusetts. We will report any substantive developments in this case and other notable False Claims Act matters in future editions of our *Litigation & Case Law Tracker*.

Health Privacy and Consumer Protection

Health Insurance Telemarketers Settle FTC Suits for a Combined $145 Million

August 7 – The Federal Trade Commission (FTC) announced settlements with two telemarketing companies that the agency accused of deceiving consumers by leading them to purchase health plans that did not provide the promised coverage, "bombarding consumers with telemarketing and robocalls." Assurance IQ LLC agreed to pay $100 million and MediaAlpha Inc. will pay $45 million to settle their respective cases with the FTC. The agency's announcement emphasized that "Coherently and systematically addressing unlawful lead generation is a priority for the FTC. That's especially so in connection to health insurance, one of the most expensive and important products consumers buy to protect themselves and their families."

The cases are Federal Trade Commission v. Assurance IQ LLC, case number 2:25-cv-01485, in the U.S. District Court for the Western District of Washington, and Federal Trade Commission v. MediaAlpha Inc., case number 2:25-cv-07263, in the U.S. District Court for the Central District of California.

Jury Finds Meta Unlawfully Retrieved App Users' Personal Health Data

August 1 – A federal jury found that Meta Platforms Inc. violated California's Invasion of Privacy Act by obtaining sensitive information from users of the menstrual monitoring app Flo through a tracking tool embedded in the app. App developer Flo Health Inc. settled with the plaintiff class mid-trial, resolving claims that the company unlawfully shared users' personal health information with tech giants without their consent. Google and a mobile app analytics firm settled with the plaintiffs prior to trial. Meta has since filed a post-trial motion asking the court to enter judgment in its favor as a matter of law or, alternatively, order a new trial on the grounds that the evidence presented at trial did not fit the outcome of the case. The plaintiffs filed an opposition to the motion on August 21, arguing that "evidence presented over six trial days was more than sufficient for the jury to find that Meta violated the California Invasion of Privacy Act."

The case is Erica Frasco et al. v. Flo Health Inc. et al., case number 3:21-cv-00757, in the U.S. District Court for the Northern District of California.

A previous summary of this case can be found in the July edition of our *Litigation & Case Law Tracker*.

Aimed Alliance is monitoring the following cases relating to actions affecting patient privacy. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker.*

- **H., et al. v. Meta Platforms, Inc.**, No. 3:23-cv-4784, in the U.S. District Court for the Northern District of California.
- **In re: 23andMe Holding Co.**, No. 4:25-bk-40976, in the U.S. Bankruptcy Court for the Eastern District of Missouri.
- **Pattison et al. v. Teladoc Health Inc.**, No. 7:23-cv-11305, in the U.S. District Court for the Southern District of New York.
- **W.W. v. Orlando Health Inc.**, No. 6:24-cv-1068, in the U.S. District Court for the Middle District of Florida.

Medical Negligence and Duty to Treat

SUD Treatment Center Must Face Negligence Claims in Wrongful Death Suit

A Florida state court held that a mental health and substance use disorder treatment clinic must face a negligence claim in a wrongful death suit brought by the parents of a teenager who was struck and killed by a train after he fled the facility. The court denied the treatment clinic's motion for summary judgment, finding that there are genuine issues of disputed material fact on the issue of proximate causation and foreseeability. With respect to the threshold issue of the clinic's legal duty, the court found that the clinic "owed a legal duty to prevent [the decedent's] risk of elopement and provide reasonable assistance at the time of [his] elopement."

The case is Mann et al. v. Caron of Florida Inc., case number 50-2023-CA-009963, in the 15th Judicial Circuit Court of the State of Florida.

Pharmacy Benefit Managers

Appeals Filed in Eighth Circuit Over Challenge to Iowa PBM Law

August 7 – Litigants in a challenge to an Iowa PBM reform law have filed notices of appeal to the Eighth Circuit after the U.S. District Court for the Southern District of Iowa issued an order on July 21 granting in part and denying in part the plaintiffs' motion for preliminary injunction.

The district court's order blocked several provisions of the PBM law, finding that certain sections suppress truthful commercial speech in violation of the First Amendment, while others are preempted by ERISA because they "impermissibly dictate the structure and administration of employee benefit plans by mandating network compositions, cost-sharing arrangements, and contractual terms that ERISA reserves to plan sponsors and fiduciaries." However, it upheld some of the law's provisions that pass constitutional scrutiny and that "reflect permissible exercises of state authority over professional licensing, cost regulation, and commercial relationships outside ERISA's scope."

The district court case is Iowa Association of Business and Industry et al. v. Doug Ommen in his official capacity as insurance commissioner of Iowa, case number 4:25-cv-00211, in the U.S. District Court for the Southern District of Iowa.

A previous summary of this case can be found in the July edition of our *Litigation & Case Law Tracker*.

PBM Wins Challenge to Arkansas Law Banning PBM-Owned Pharmacies

July 28 – The U.S. District Court for the Eastern District of Arkansas granted preliminary injunctions to Express Scripts and several affiliated corporations in their challenge to a recently enacted state law prohibiting PBMs from acquiring or holding a direct or indirect interest in an Arkansas-licensed pharmacy. The court held that the plaintiffs are likely to succeed on their claims that the state law (1) violates the Commerce Clause, which prohibits states from discriminating against or unduly burdening interstate commerce; and (2) is preempted by TRICARE as applied to affiliated pharmacies that provide pharmacy benefits under contracts with the Department of Defense (DoD), because the state law would allow Arkansas to dictate with whom DoD may contract. TRICARE is a health care program for active duty and retired members of the U.S. military. The court ordered the defendants to refrain from enforcing the law until final disposition of the case.

The case is Express Scripts Inc et al. v. Richmond et al., case number 4:25-cv-00520, in the U.S. District Court for the Eastern District of Arkansas.

A previous summary of this case can be found in the July edition of our *Litigation & Case Law Tracker*.

Provider Payments and Networks

Putative Class Action Filed Over Anthem's "Ghost Networks"

July 11 – A putative class action was filed in Connecticut state court accusing Anthem Health Plans, Inc. and its parent company of maintaining so-called "ghost networks" of mental health providers. The plaintiffs allege that the networks are filled with inaccuracies, including fake or unqualified providers, listings for those who are out of network, and wrong contact information. As a result, the plaintiffs paid premiums for coverage they did not, in fact, receive; paid for out-of-network care because there were no qualified providers within a reasonable distance from their homes; and wasted time and money sifting through providers who did not offer the services listed in the directory, were not qualified, or did not participate in the network at all, according to the complaint. The plaintiffs bring seven claims, including violation of the Connecticut Unfair Trade Practices Act, fraudulent and negligent misrepresentation, and breach of contract.

The case is Mazzola et al. v. Anthem Health Plans Inc. et al., case number FST-CV25-6074749-S, in the Stamford/Norwalk Judicial District of the Connecticut Superior Court.

Court Approves $2.8B BCBS Antitrust Settlement

August 19 – The U.S. District Court for the Northern District of Alabama approved a $2.8 billion settlement between Blue Cross Blue Shield (BCBS) and a class of medical providers, resolving a

landmark antitrust case after 12 years of litigation and nine years of settlement negotiations. The plaintiffs had claimed that the BCBS Association and its 33 independent member insurers of unlawfully stifling competition by dividing up the country into exclusive geographic markets and then entering into agreements not to compete with each other. As part of the settlement, BCBS also agreed to injunctive relief intended to curb the allegedly anticompetitive actions that led to the lawsuit.

The case is In re: Blue Cross Blue Shield Antitrust Litigation, case number 2:13-cv-20000, in the U.S. District Court for the Northern District of Alabama.

Aimed Alliance is monitoring the following additional cases relating to provider payments. We will report any substantive developments in these matters in future editions of our *Litigation & Case Law Tracker*.

- **Beach et al. v. United Behavioral Health**, No. 3:21-cv-08612, in the U.S. District Court for the Northern District of California.
- **In re: MultiPlan Health Insurance Provider Litigation**, No. 1:24-cv-06795, in the U.S. District Court for the Northern District of Illinois.

AIMEDALLIANCE

1455 Pennsylvania Avenue NW, Suite 400, Washington, DC 20004

202-349-4089 • AimedAlliance.org