AIMEDALLIANCE

Litigation & Case Law TRACKER

January 27, 2026

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 issue of our *Litigation & Case Law Tracker* covers the period from October 4, 2025, through January 26, 2026.

We welcome feedback at policy@aimedalliance.org.

Judicial-Branch Advocacy

States File Amicus Brief In $100,000 H-1B Visa Fee Case

January 16, 2026 – New Jersey, 20 other states, and the District of Columbia filed an amicus brief in support of the U.S. Chamber of Commerce's appeal of a U.S. District Court ruling permitting the Trump Administration's $100,000 fee on H-1B visa applications to take effect.

The H-1B visa program allows employers to apply for high-skilled foreign workers to work temporarily in certain occupations that require at least a bachelor's degree or its equivalent.

Represented by their attorneys general, the states (and D.C.) argued that the new $100,000 fee will harm states' economies, impair access to health care, and worsen teacher shortages.

The case is Chamber of Commerce of the United States of America and Association of American Universities v. United States Department of Homeland Security, et al., number 25-5473, in the U.S. Court of Appeals for the D.C. Circuit.

In a similar case, a medical practice in rural North Carolina and other employers on December 19, 2025, asked a federal judge to block enforcement of the $100,000 fee. In the plaintiffs' motion for preliminary injunction, they argued the federal government failed to consider the fee's negative impacts on schools, hospitals, and communities that "rely on the H-1B program to ensure effective health care and educational and other services for their communities."

The case is Global Nurse Force, et al. v. Trump, et al., number 4:25-cv-08454-HSG, in the U.S. District Court for the Northern District of California, Oakland Division.

A coalition of 20 states also challenged the $100,000 H-1B visa application fee, filing its complaint on December 12, 2025. That case is State of California, et al. v. Noem, et al., number 1:25-cv-13829, in the U.S. District Court for the District of Massachusetts.

Former FDA Leaders Urge Court to Uphold Agency's Flexible Drug-Shortage Process

December 1, 2025 – Four former Food and Drug Administration (FDA) commissioners filed an amicus brief with the U.S. Court of Appeals for the Fifth Circuit arguing that FDA must update its drug-shortage list through informal, rapid, case-specific determinations, not slow notice-and-comment rulemaking. The brief explained that delays in updating the list can lead to rationing, stockpiling, higher costs, and risks to patient safety. The former officials also warned that delays in removing drugs from the shortage list would expose patients to compounded products for longer than Congress intended. The former FDA commissioners urged the Fifth Circuit to affirm the lower court's decision and preserve FDA's ability to manage drug shortages swiftly.

The case is Outsourcing Facilities Association, et al. v. Food & Drug Administration, et al., number 25-10758 in the U.S. Court of Appeals for the Fifth Circuit; and number 4:25cv174 in the U.S. District Court for the Northern District of Texas.

Federal Policy Challenges

Court Allows Challenge to HHS Vaccine Policy Changes to Proceed

January 6, 2026 – A federal judge rejected the U.S. Health and Human Services' motion to dismiss a lawsuit by medical groups challenging changes to federal vaccine policy, clearing the way for claims that the Centers for Disease Control (CDC) immunization advisory committee is not fairly balanced.

The court found the American Academy of Pediatrics and other plaintiffs satisfactorily alleged an unlawful reconstitution of the Advisory Committee on Immunization Practices, including firing all 17 members and appointing new ones with limited vaccine experience.

The case is American Academy of Pediatrics, et al. v. Kennedy, et al., number 25-11916, in the U.S. District Court for the District of Massachusetts.

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

Judges Skeptical of Government's Effort to End NIH Grant Lawsuits

January 6, 2026 – A panel of federal judges signaled they may not be prepared to end two lawsuits over the federal government's cancellation of National Institutes of Health (NIH) research grants.

The government argued that the issue is resolved because the Department of Health and Human Services (HHS) issued new rules in December 2025 and reached an agreement that same month to fund previously approved projects and restart grant reviews, but the panel questioned how the rules and agreement help researchers who already lost or were denied funding under the earlier policy.

The suits challenge a February 2025 directive that led NIH to pull about $783 million in grants. A trial court determined those cancellations violated the law, but the U.S. Supreme Court later allowed some cancellations to continue while the lawsuits proceed.

The cases are American Public Health Association, et al. v. National Institutes of Health, et al., number 25-1611; and Massachusetts, et al. v. Kennedy, et al., number 25-1612, both in the U.S. Court of Appeals for the First Circuit.

The underlying case numbers are 25cv10787 and 25cv10814, both in the U.S. District Court for the District of Massachusetts.

A summary of previous district court proceedings in Massachusetts, et al. v. Kennedy, et al., can be found in the July issue of our *Litigation & Case Law Tracker*.

In Two Cases, Appeals Court Allows Defunding of Certain Abortion Service Providers

December 30, 2025 – The U.S. Court of Appeals for the First Circuit ruled that a 2025 federal law blocking Medicaid payments for one year to certain abortion providers, primarily Planned Parenthood affiliates, can go into effect while the plaintiffs' challenge to the law continues. The court rejected the argument of 20 states that the law unfairly changed Medicaid rules, explaining that states are on notice that Congress can revise Medicaid requirements. The court vacated earlier orders that had blocked the law and sent the case back to the lower court for further proceedings.

The case is California, et al. v. Department of Health and Human Services, et al., number 25-2165, in the U.S. Court of Appeals for the First Circuit.

The underlying case is State of California, et al. v. U.S. Department of Health and Human Services, et al., number 1:25-cv-12118, in the U.S. District Court for the District of Massachusetts.

December 12, 2025 – The First Circuit also determined that the federal law cutting off Medicaid funding from certain abortion providers for one year does not illegally punish Planned Parenthood

and that Congress acted within its power to set conditions on how federal money is spent, even if the law makes it harder for affected clinics to operate. The court vacated earlier orders that had blocked the law and sent the case back to the lower court for further proceedings.

The case is Planned Parenthood Federation of America Inc., et al. v. Robert F. Kennedy Jr., et al., numbers 25-1698 and 25-1755, in the U.S. Court of Appeals for the First Circuit. The underlying case is Planned Parenthood Federation of America Inc., et al. v. Robert F. Kennedy Jr., et al., number 1:25-cv-11913, in the U.S. District Court for the District of Massachusetts.

Previous summaries of the 20-state and Planned Parenthood cases can be found in the October issue of our *Litigation & Case Law Tracker.*

Preliminary Injunction Limits Medicaid Data Sharing With Immigration Authorities

December 29, 2025 – A federal judge in California ruled that the federal government may share basic Medicaid information about unlawfully present residents with immigration officials for enforcement purposes. Shareable data includes name, address, phone number, date of birth, and immigration status. The court issued a preliminary injunction barring the government from sharing anything beyond basic data on unlawfully present residents, such as sensitive health records or information about lawful permanent residents or citizens.

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

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

Judge Voids HHS Rule Banning Gender Identity Discrimination

October 22, 2025 – The U.S. District Court for the Southern District of Mississippi voided parts of a 2024 HHS rule aimed at protecting gender-affirming care under the Affordable Care Act (ACA). The court found that the agency exceeded its authority by interpreting the ACA's anti-discrimination provision to prohibit gender-identity discrimination and protect gender-affirming care. The ACA bars sex discrimination under Title IX. "When it enacted Title IX, Congress's concern was prohibiting sex discrimination in education . . . It did not at that time contemplate gender identity, transgender status, or gender-affirming care," the judge reasoned.

The case is State of Tennessee, et al. v. Kennedy, et al., number 1:24-cv-00161, in the U.S. District Court for the Southern District of Mississippi.

Cities Seek Summary Judgment to Block Marketplace Rule

January 20, 2026 – The cities of Columbus, Baltimore, and Chicago, along with co-plaintiffs representing small businesses and health care providers, moved for summary judgment in their case challenging the 2025 Marketplace Rule. The plaintiffs argued that the rule is intended to reduce federal Affordable Care Act (ACA) subsidy spending by raising consumers' premiums for ACA marketplace plans, limiting coverage under those plans, and deterring millions of individuals from enrolling in coverage. The plaintiffs claimed the rule will increase costs for cities that operate free clinics, strip coverage from small business owners and their employees, and reduce compensation for providers. The plaintiffs asked the court to vacate the challenged provisions of the rule.

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

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

Alternative Funding Providers

Paydhealth Appeals After Court Rules in Editor's Favor

December 1, 2025 – Paydhealth filed a notice of appeal to Third Circuit after the U.S. District Court for the Eastern District of Pennsylvania granted summary judgement for the defendant in Paydhealth's defamation case. Paydhealth claimed that Dawn Holcombe, a consultant and editor-in-chief of an online oncology publication, made false and defamatory statements about Paydhealth during her presentation at a 2023 conference, and again in a February 2024 article about alternative funding providers. The court dismissed Paydhealth's claim with prejudice, finding that it "failed to establish a genuine dispute of material fact as to the reputational harm it sustained from Ms. Holcombe's alleged statements."

The appeal is Paydhealth, LLC v. Dawn Holcombe, number 25-3360 in the U.S. Court of Appeals for the Third Circuit. The underlying case is Paydhealth, LLC v. Dawn G. Holcombe, d/b/a DGH Consulting, number 2:24-cv-00259, in the U.S. District Court for the Eastern District of Pennsylvania.

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

- **AbbVie Inc. v. Payer Matrix LLC**, number 1:23-cv-02836, in the U.S. District Court for the Northern District of Illinois.
- **Gurwitch v. Save On SP LLC**, number 1:25-cv-00006, in the U.S. District Court for the Western District of New York.
- **Johnson & Johnson Health Care Systems, Inc. v. Save On SP, LLC; Express Scripts Inc.; and Accredo Health Group, Inc.**, number 2:22-cv-02632, in the U.S. District Court for the District of New Jersey.
- **Sharx, LLC v. AbbVie Inc.**, number 2024-L-000264, in the Circuit Court of Cook County, Illinois.

Compounding

Drug Manufacturer Alleges Unauthorized Mass Production of GLP-1 Drugs

December 17, 2025 – A compounding pharmacy moved to strike a complaint by Eli Lilly for alleged procedural violations. In October 2025, Eli Lilly filed a lawsuit in the U.S. District Court for the Northern District of Texas against a pharmacy it said was mass producing and selling compounded versions of its FDA-approved tirzepatide medications, alleging violations of multiple states' unfair trade practices laws. "By selling these unapproved and untested drugs, [the defendant] is conducting 'a giant, uncontrolled, unconsented human experiment' in which consumers receive drugs that have not been demonstrated to be safe or effective, without any disclosure of the risks entailed or the protections inherent in regulated clinical research," the complaint read.

The case is Eli Lilly and Company v. North American Custom Laboratories LLC, number 3:25-cv-02876, in the U.S. District Court for the Northern District of Texas.

Lilly Requests Court Approval in Compounded Drug Trademark Dispute

October 30, 2025 – Eli Lilly asked the U.S. District Court for the Western District of Washington to approve a consent judgment in its lawsuit against a surgical center alleging trademark infringement and false advertising. The defendant did not oppose Lilly's request. Lilly initially filed suit in June 2024, alleging that the defendant used Lilly's trademarks to market its own compounded tirzepatide products and falsely represented those compounded drugs as "FDA-approved" when, in fact, they were not. Under the proposed consent judgment, the defendant would be barred from using Lilly's trademarks or similar marks, making statements suggesting FDA approval or equivalence to Lilly's products, and engaging in unfair competition or deceptive acts. The judgment would also require the defendant to include a clear disclaimer in all advertising for compounded tirzepatide drugs. The case is Eli Lilly & Co. v. Alderwood Surgical Center LLC, et al., number 2:24-cv-00878, in the U.S. District Court for the Western District of Washington.

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

In addition to the **Outsourcing Facilities Association, et al. v. Food & Drug Administration, et al.** case discussed in the Judicial-Branch Advocacy section above, Aimed Alliance is monitoring the following cases relating to drug compounding. We will report any dispositive developments in these matters in future issues of our *Litigation & Case Law Tracker*.

- **Eli Lilly and Company v. Empower Clinic Services LLC**, number 4:25-cv-03464, in the U.S. District Court for the Southern District of Texas.
- **In Re Hims & Hers Health, Inc. Securities Litigation**, number 25-cv-05315 in the U.S. District Court for the Northern District of California.
- **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.

Drug Price Caps

Federal Government Defends Medicare Drug Price Law

January 2, 2026 – In an opposition brief, the federal government urged the U.S. Supreme Court to deny a drug maker's constitutional challenge to the federal Medicare Drug Price Law.

Passed as part of the 2022 Inflation Reduction Act, the law allows the Centers for Medicare and Medicaid Services to set a maximum price for certain drugs and requires drug makers that sell to Medicare participants to offer that price to Medicare enrollees or otherwise pay an excise tax.

The drug maker's petition to the Supreme Court contended that the Medicare Drug Price Law violates its due process rights.

The case is AstraZeneca Pharmaceuticals LP, et al., Petitioners v. Robert F. Kennedy, Secretary of Health and Human Services, et al., number 25-348, in the U.S. Supreme Court.

340B Drug Pricing

HHS Dismisses Appeal of 340B Rebate Pilot Injunction

January 16, 2026 – The U.S. Department of Health and Humans Services dismissed its appeal after the First Circuit denied its emergency request to suspend a preliminary injunction that blocks the implementation of a 340B Rebate Model Pilot Program.

The appeals court explained the government had not shown it was likely to win the appeal of the injunction and noted the administrative record lacked consideration of hospitals' reliance on decades of upfront drug discounts.

The district court had found hospitals would suffer irreparable harm, namely fronting higher drug costs, if the pilot proceeded during the hospitals' challenge to the legality of the program under the Administrative Procedure Act.

The case is American Hospital Association, et al. v. Kennedy, et al., number 25-2236, in the U.S. Court of Appeals for the First Circuit.

Health Care Access and Privacy

Wyoming Supreme Court Rules Abortion Bans Unconstitutional

January 6, 2026 – The Wyoming Supreme Court, in a 4-1 decision, invalidated the state's near-total abortion ban and its separate prohibition on abortion medication as an unconstitutional violation of the right of health care access granted in the state constitution. The decision followed a 2024 district-court injunction and prompted Governor Mark Gordon to urge the legislature to place a constitutional amendment banning abortion on the 2026 ballot.

The case is State of Wyoming v. Danielle Johnson, et al., number S-24-0326, in the Supreme Court, State of Wyoming.

Health Insurers and Pharmacy Benefit Managers

Patients Sue Insurer, Affiliates Over Barriers to Medication Access

January 6, 2026 – Patients with chronic conditions filed a proposed class action in federal court in Illinois, accusing a major health insurer and its affiliates, a pharmacy benefit manager, integrated services unit, and specialty pharmacy, of locking members into a network in which barriers have been deliberately erected to reduce the number of prescriptions dispensed.

The plaintiffs claimed the defendants purposely make accessing medications difficult, bouncing people between representatives, giving inaccurate information, and using coercive tactics to discourage participants from using competing pharmacies. These practices delay treatment and reduce spending on member benefits, the plaintiffs contended.

The lawsuit seeks damages and court orders stopping the defendants' allegedly anti-competitive conduct.

The case is Wolf, et al. v. Accredo Health Group, Inc., et al., number 1:26-cv-00098, in the U.S. District Court for the Northern District of Illinois.

Pharmacy Groups Defend Arkansas PBM Legislation in the Eight Circuit

November 4, 2025 – Two pharmacy trade groups filed an amicus brief defending an Arkansas law that would prohibit pharmacy benefit managers (PBMs) from acquiring or holding an interest in an Arkansas-licensed pharmacy. Contrary to the district court's findings, the amici argued that the law is a valid exercise of the state's regulatory power and not preempted by any federal law. The law "is merely aimed at eliminating a conflict of interest that is impeding Arkansans from accessing their pharmacy benefits." This conflict of interest, according to the brief, arises when vertically integrated PBMs own and operate their own pharmacies because they can influence or control from which pharmacies patients may receive their prescription medications and the reimbursement amounts those pharmacies receive. As a result, PBMs can favor their own pharmacies over unaffiliated ones.

In July 2025, a federal district court preliminarily blocked parts of the law after finding that they likely violate the dormant commerce clause by discriminating against out-of-state companies. It also narrowly found that the law is preempted by TRICARE, a federal military benefits program, to the extent pharmacies participate in the program.

The case is Express Scripts Inc., et al. v. Richmond, et al., number 25-2529, in the U.S. Court of Appeals for the Eighth Circuit.

Previous summaries of this case can be found in the July and October issues of our *Litigation & Case Law Tracker.*

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

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