AIMEDALLIANCE

Litigation & Case Law TRACKER

July 14, 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 April 23 through July 13, 2026.

We welcome feedback at policy@aimedalliance.org.

Federal Policy

Federal Lawsuit Seeks to Block ACA Marketplace Reforms

June 3 – Three cities, one county, and trade groups representing doctors and small businesses sued the Trump Administration, challenging a final rule published on May 20 by Centers for Medicare and Medicaid Services (CMS). The rule, set to take effect on July 20, purports to improve implementation of the Affordable Care Act (ACA) by ensuring program integrity, reducing administrative burdens, and expanding consumers' plan options. According to the plaintiffs, however, the rule will cause millions to lose coverage on the ACA's insurance exchanges in 2026 and result in higher premiums and out-of-pocket costs for enrollees, which will ultimately strain community resources. They claim that the rule violates the Administrative Procedure Act (APA) because it was promulgated without proper procedures, is arbitrary and capricious, and conflicts with federal law.

The case is City of Columbus et al. v. Kennedy et al., number 1:26-cv-02215, in the U.S. District Court for the District of Maryland.

Federal Court Dismisses Challenge to New CMS Pathway for Legal Hemp Products

May 22 – The U.S. District Court for the District of Columbia dismissed a challenge to CMS's new, optional pathway for qualifying Medicare providers to furnish qualifying beneficiaries with a limited amount of federally legal hemp products for health purposes. The plaintiffs, an individual, a doctor, 11 organizations, and a pharmaceutical company working to develop cannabinoid

therapeutics, sought to block the program, alleging various violations of the APA and the Fifth Amendment. However, the court found that none of the plaintiffs had standing to sue because "each claims an injury too abstract or too remote to open the courtroom doors."

The case is Smart Approaches to Marijuana et al. v. Kennedy et al., number 1:26-cv-01081, in the U.S. District Court for the District of Columbia.

Professional Organizations Challenge New Rule on Student Loan Caps

May 21 – Several professional organizations representing educators, nurses, licensed family and marriage therapists, and schools and programs of public health filed a federal lawsuit challenging a U.S. Department of Education (DOE) rule they say unlawfully restricts federal student loan eligibility for a host of professional degree programs. The rule, finalized on May 1 and set to take effect on July 1, includes a new definition of "professional degree" for purposes of the DOE's direct loan program.

In 2025, Congress passed a law establishing annual and aggregate borrowing limits for "graduate students" and "professional students," with professional students eligible to borrow twice as much money as graduate students. The legislation defined "professional student" by reference to the definition of "professional degree" in a 2007 DOE regulation. According to the lawsuit, however, DOE improperly adopted a narrower definition of professional degree in its new rule, thereby excluding many degree programs that may have qualified as a professional degree under the old rule, including some degrees in nursing, public health, and education. The plaintiffs argue that the move violated the APA and asked the court to block the rule until DOE puts a new rule in place defining "professional degree" consistent with its statutory obligations.

The case is American Association Of Nurse Practitioners et al. v. McMahon et al., number 1:26-cv-01780, in the U.S. District Court for the District of Columbia.

Supreme Court Extends Stay Preserving Mail-Order and Telehealth Access to Mifepristone

May 14 – The U.S. Supreme Court extended a stay allowing mail-order distribution of the abortion medication mifepristone. The majority did not provide a rationale for its decision. In his dissent, Justice Alito said that "[w]hat is at stake is the perpetration of a scheme to undermine our [2022 decision in *Dobbs et al. v. Jackson Women's Health Organization et al.*], which restored the right of each state to decide how to regulate abortions within its borders."

The state of Louisiana sued the federal government in 2025 claiming that the Food and Drug Administration (FDA) unlawfully relaxed dispensing restrictions for the drug in 2023. The case reached the Supreme Court's emergency docket after the Fifth Circuit sided with the state and

temporarily reinstated the requirement that patients be seen in person by a doctor before the drug is dispensed. The Supreme Court's stay will remain in place until the Fifth Circuit makes a final ruling on the merits in the Louisiana case and drug manufacturers have a chance to petition the Supreme Court to review the decision.

The U.S. Supreme Court cases are Danco Laboratories LLC v. State of Louisiana et al., number 25A1207, and GenBioPro Inc. v. State of Louisiana, number 25A1208.

The circuit court case is State of Louisiana v. Food and Drug Administration, number 26-30203, in the U.S. Court of Appeals for the Fifth Circuit.

Trump Admin. Agrees to Halt Use of Medicaid Data for Immigration Enforcement

April 30 – The federal government agreed at a hearing to temporarily stop the use of 22 states' Medicaid data for immigration enforcement purposes until the U.S. District Court for the Northern District of California clarifies the boundaries of its December 2025 injunction in the case. The judge noted that a key part of the December injunction was vague and that the court must clarify which categories of people Immigration and Customs Enforcement officials may or may not obtain information about, which is a complicated question. The hearing centered on the plaintiff states' March 26 allegations that the U.S. Department of Health and Human Services (HHS) violated the December injunction by transferring Medicaid data to federal immigration officials.

The case is 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.

Previous summaries of this case can be found in the October 2025 and January 2026 issues of our *Litigation & Case Law Tracker*.

Aimed Alliance is monitoring several other cases relating to federal policy, including those listed below. We will report any dispositive developments in these matters in future editions of our *Litigation & Case Law Tracker*.

- **American Academy of Pediatrics et al. v. Kennedy et al.**, number 1:25-cv-11916, in the U.S. District Court for the District of Massachusetts.
- **American Federation of State, County, and Municipal Employees, AFL-CIO et al. v. Vought et al.,** number 1:26-cv-02656, in the U.S. District Court for the Northern District of Illinois.
- **City of Columbus v. Robert Kennedy Jr.**, number 25-2012, in the U.S. Court of Appeals for the Fourth Circuit.
- **State of Arizona et al. v. Robert F. Kennedy Jr. et al.**, number 3:26-cv-01609, in the U.S. District Court for the Northern District of California.

- **State of Illinois et al. v. Vought et al.,** number 1:26-cv-01566, in the U.S. District Court for the Northern District of Illinois.
- **State of New York et al. v. Robert F. Kennedy Jr. et al.**, number 1:25-cv-00196, in the U.S. District Court for the District of Rhode Island.

Alternative Funding Providers

June 26 – The U.S. District Court for the Northern District of Illinois issued an order resolving competing motions to dismiss by AbbVie Inc. and Payer Matrix LLC. In August 2025, the drugmaker filed an amended complaint bringing three new or amended claims for Payer Matrix's alleged scheme to unlawfully import medicines from Canada. The second amended complaint added explanations of how the AFP's alleged importation scheme works and the differences between AbbVie's drugs that are sold on the American and Canadian markets. The alternative funding provider (AFP) filed counterclaims in September 2025 for violations of the Racketeer Influenced and Corrupt Organizations Act (RICO), state and federal antitrust laws, the Illinois Consumer Fraud Protection Act (ICFA), and the Illinois Uniform Deceptive Trade Practices Act (IDTPA); and for defamation and tortious interference. Payer Matrix moved to dismiss AbbVie's claims to the extent they are premised on the same "international sourcing" scheme set forth in drugmaker's first amended complaint. The drugmaker moved to dismiss all of Payer Matrix's counterclaims.

As to the drugmaker's claims, the court ruled that "AbbVie may not bring any new or amended claims related to consumer protection, trade practices, or trademarks—under the Lanham Act, the ICFA, the IDTPA, or any other cause of action—based on Payer Matrix's international drug importation program." It reasoned that the consumers who knowingly purchased Canadian-sourced drugs were unlikely to be confused by the differences between Canadian and U.S. products.

As to Payer Matrix's counterclaims, the court dismissed causes of action under RICO, IDTPA, and the ICFA, and the AFP's antitrust claims. However, the court narrowly found that the AFP stated a plausible claim for defamation as to certain categories of statements based on allegations that AbbVie told patients, providers, and others that Payer Matrix was committing fraud, acting illegally, or causing coverage delays. The court also ruled that the AFP's tortious interference claims may proceed, but only to the extent that they are based on AbbVie's accusations of fraud and other wrongdoing directed toward plan sponsors, PBMs, and brokers.

The case is AbbVie Inc. v. Payer Matrix LLC, 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 October 2025 edition of our *Litigation & Case Law Tracker.*

Third Circuit Dismisses Paydhealth's Appeal in Defamation Case

April 27 – The Third Circuit dismissed Paydhealth's defamation case against a consultant and editor in-chief of an online oncology publication. The case docket showed that the parties reached settlement. Previously, Paydhealth appealed the case in December 2025 after the Eastern District of Pennsylvania granted summary judgment for the defendant.

The case is Paydhealth, LLC v. Dawn Holcombe, number 25-03360, in the U.S. Court of Appeals for the Third Circuit.

A previous summary of this case can be found in the January 2026 edition of our *Litigation & Case Law Tracker.*

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

- **Gurwitch v. Save On SP LLC**, number 1:25-cv-00006 in the U.S. District Court for the Western District of New York.
- **Sharx, LLC v. AbbVie Inc.**, number 2024-L-000264 in the Circuit Court of Cook County, Illinois.

Cannabinoids

DEA Begins Hearings on Rescheduling Marijuana to Schedule III

June 29 – The U.S. Drug Enforcement Administration (DEA) is set to begin hearings before an administrative law judge (ALJ) on a proposal to reschedule marijuana from Schedule I to Schedule III under the federal Controlled Substance Act (CSA). The DEA published notice of the hearings on April 28. Concurrently, the agency issued a final order transferring marijuana, marijuana extracts, THC, and other marijuana-derived compounds in an FDA-approved drug product or subject to a state medical marijuana license from schedule I to schedule III. That order has already faced several legal challenges in the D.C. Circuit by anti-cannabis advocates and others who oppose the change.

In a prehearing statement published by the DEA, the agency said it anticipates presenting expert testimony from a pain management physician and from the director of the Controlled Substance Staff with the FDA's Center for Drug Evaluation and Research, who will present evidence that

marijuana has a currently accepted medical use. Seven other parties opposed to rescheduling marijuana will also testify during the three-week hearing process. At the conclusion of the hearings, the parties can submit additional material to supplement the record. The ALJ will submit a recommendation on the proposal to the DEA administrator, who can issue a final rule on the matter.

Schedule I substances have (1) high potential for abuse, (2) no currently accepted medical use in the United States, and (3) a lack of accepted safety for use under medical supervision. As such, they are illegal under federal law. Schedule III substances have a lower risk of abuse or dependence compared to higher scheduled drugs, and have accepted medical uses in the U.S.

The case is In the Matter of Schedules of Controlled Substances: Proposed Rescheduling of Marijuana, DEA Docket No. 1362, Hearing Docket No. 26-96, in the U.S. Department of Justice, Drug Enforcement Administration.

The consolidated challenge to the final order is New Directions Addiction Recovery Services, et al. v. Donald Trump, et al., number 26-1136, in the U.S. Circuit Court of Appeals for the D.C. Circuit.

Idaho Child Abuse Registry Suit Survives Dismissal

June 24 – The U.S. District Court for the District of Idaho denied in part a motion to dismiss a class action lawsuit against the Director of the Idaho Department of Health and Welfare. Two women, on behalf of the class, sued the Director in 2023 to challenge the enforcement of a state regulation that categorizes the prenatal use of a controlled substance, including THC, as a basis for substantiating child abuse or neglect and placing an individual on the Child Protection Central Registry for a minimum of ten years.

The district court refused to toss the case on Eleventh Amendment grounds, which shields states and state officials sued in their official capacities from lawsuits in federal court. However, an exception to the doctrine allows state officials to be sued for prospective relief for an ongoing violation of federal law. The court ruled the Director cannot claim sovereign immunity because the complaint alleges an ongoing violation of federal law affecting women currently on the registry, and because the class includes women that will be substantiated in the future. The court also found that the complaint stated a plausible due process claim to survive a motion to dismiss but

dismissed the plaintiffs' equal protection claim because the Supreme Court has ruled that pregnancy is not a protected gender-based classification.

The case is Rossow et al. v. Charron, number 1:23-cv-00131-BLW, in the U.S. District Court for the District of Idaho.

Proposed Class Actions Allege Deceptive Marketing by Cannabis Companies

May 4 – Groups of recreational cannabis consumers filed two proposed class actions in Illinois and Connecticut federal courts claiming that several major cannabis companies deceptively marketed recreational cannabis as safe and beneficial for mental health disorders while the companies knew, or should have known, that such products can cause or exacerbate conditions such as bipolar disorder, depression, anxiety, and post-traumatic stress disorder. The lawsuits, brought by about 60 plaintiffs from multiple states, primarily seek economic damages and do not make any personal injury claims. The plaintiffs say that absent the defendants' unlawful conduct, they would not have purchased or paid as much for defendants' cannabis products.

The cases are Michael Murray et al. v. Cresco Labs Inc. et al., number 3:26-cv-50184, in the U.S. District Court for the Northern District of Illinois; and Brent Duke et al. v. Curaleaf Holdings Inc. et al., number 3:26-cv-00684, in the U.S. District Court for the District of Connecticut.

Compounding

Lilly's Conspiracy Claims Challenged by Defendants in Compounding Lawsuit

June 5 – A telehealth company, related provider group, and a defunct pharmacy moved to dismiss part of Eli Lilly's second amended complaint alleging that the companies conspired to falsely advertise compounded versions of Lilly's tirzepatide medications. Previously, Lilly filed its second amended complaint in May after the Northern District of California trimmed a conspiracy claim from its first amended complaint, finding that the drugmaker failed to adequately allege that the defendants knowingly participated in a shared scheme to make, prescribe, and sell compounded tirzepatide drugs in violation of the Lanham Act and California unfair competition law. In their latest motion to dismiss, the defendants assert that the conspiracy claim in Lilly's second amended complaint fails "to remedy the foundational defects" identified by the court in its previous ruling because it merely establishes "a plausible association among the defendants" rather than "a plausible inference of an agreement to a common plan."

The case is Eli Lilly and Co. v. Mochi Health Corp. et al., number 3:25-cv-03534, in U.S. District Court for the Northern District of California.

Telehealth Platform Moves to Dismiss Lilly's First Amended Complaint

June 17 - In a separate Lilly lawsuit, a telehealth platform moved on May 18 to dismiss Eli Lilly's first amended complaint alleging that the platform unlawfully marketed and sold compounded tirzepatide medications. The amended complaint, filed by Lilly on April 16, attempts to address deficiencies identified by the district court in its March order granting in part the defendants' first motion to dismiss the original complaint. The defendants now argue that the drugmaker's amended complaint does not cure the deficiencies and is merely dressed up with conclusory statements. With respect to Lilly's corporate practice of medicine and California Unfair Competition Law claims, the defendants argue that Lilly does not have standing to sue because it failed to allege a causal connection "between its conclusory assertion of harm" and the alleged unlawful conduct. As to Lilly's false advertising claims, the defendants argue that certain advertisements cited by the drugmaker are identical to, or contain the same language as, statements the court previously rejected in its first order, while others do not contain any false statements at all. Lilly opposed the motion, arguing that its First Amended Complaint cures the deficiencies identified by the court.The case is Eli Lilly and Company v. Aios Inc. et al., number 4:25-cv-03535, in the U.S. District Court for the Northern District of California.

A previous summary of this case can be found in the April 2026 edition of our *Litigation & Case Law Tracker.*

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

- **Donoho et al. v. Hims & Hers Health Inc. et al.**, number 1:26-cv-01954, in the U.S. District Court for the Northern District of Illinois.
- **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.
- **In Re Hims & Hers Health, Inc. Securities Litigation**, number 3:25-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.
- **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.

Drug Price Caps

Dist. of Colorado Preliminarily Blocks Colorado Price Cap Reg on Amgen Drug

July 1 – The U.S. District Court for the District of Colorado blocked the state of Colorado from enforcing a regulation that established an upper payment limit on Amgen's rheumatoid arthritis drug. In granting Amgen's motion for preliminary injunction, the court found that the drugmaker is likely to succeed on its claim that Colorado's price cap rule is preempted by federal patent law. The court cited a 2007 decision in the Federal Circuit that "explained that Congress recognizes that enhanced profits are central to the statutory incentives involved in patents. These enhanced profits are only enjoyed by pharmaceutical companies during the period of patent exclusivity before competition brings the price down." As such, states cannot change the bargain struck by Congress by capping downstream prices, according to the order.

The case is Amgen Inc. et al. v. Gail Mizner et al., number 1:25-cv-03452, in the U.S. District Court for the District of Colorado.

Supreme Court Denies Petitions to Hear Challenges to Drug Price Negotiation Program

May 18 – The U.S. Supreme Court rejected six petitions from drugmakers that have challenged the Medicare Drug Price Negotiation Program under a host of legal theories. The law, created by the Inflation Reduction Act of 2022, empowers CMS to negotiate and set maximum fair prices for certain drugs. The Court's orders leave undisturbed a series of decisions in the Second and Third Circuits that rejected several drugmakers' challenges to the program. Among other things, drugmakers have claimed that the program violates First Amendment protections against compelled speech, violates the Fifth Amendment's requirements for due process and just compensation for takings of property, illegally coerces drugmakers to participate in the program, and delegates too much power to the executive branch of the federal government.

The Supreme Court cases are AstraZeneca Pharmaceuticals LP et al. v. Kennedy et al., number 25-348; Bristol Myers Squibb Co. v. Kennedy et al., number 25-751; Janssen Pharmaceuticals Inc. v. Kennedy et al., number 25-749; Novo Nordisk Inc. et al. v. Kennedy et al., number 25-761; Boehringer Ingelheim Pharmaceuticals Inc. v. U.S. Department of Health and Human Services et al., number 25-799; and Novartis Pharmaceuticals Corp. v. Kennedy et al., number 25-902.

340B Drug Pricing

Fifth Circuit Denies Petition to Rehear Appeal in Challenge to LA. 340B Law

July 6 – The Fifth Circuit denied a petition for rehearing en banc sought by several drugmakers and the Pharmaceutical Research and Manufacturers of America (PhRMA), leaving undisturbed its

February 2026 ruling that rejected the plaintiffs' constitutional challenges to Louisiana's 340B drug delivery law. The law prohibits drug manufacturers from interfering with the ability of safety-net health providers from contracting with outside pharmacies to dispense discounted drugs under the federal 340B program. At the same time, the court granted a petition for rehearing by the Louisiana Primary Care Association (LPCA), limited to the Fifth Circuit's decision to reverse a lower court's order allowing the LPCA to intervene in the case. In granting the petition, the Fifth Circuit noted that a challenge to the group's intervention had been abandoned at oral argument before the court. As such, the court vacated its ruling on the intervention issue, withdrew its February 2026 opinion, and republished the opinion without addressing the district court's ruling on the intervention issue.

The consolidated cases are Pharmaceutical Research and Manufacturers of America v. Murrill, number 24-30673; AbbVie Inc. et al. v. Murrill, number 24-30645; and AstraZeneca Pharmaceuticals v. Murrill, number 24-30651, in the U.S. Court of Appeals for the Fifth Circuit.

A previous summary of this case can be found in the May 2026 edition of our *Litigation & Case Law Tracker.*

Federal District Courts Reject Drugmakers' Challenges to 340B Laws in CO, WA, and MS

June 10 – The U.S. District Court for the District of Colorado dismissed all of AbbVie's claims in the drugmaker's challenge to Colorado's 340B drug pricing law, which prohibits drugmakers from interfering with arrangements between covered entities and their contract pharmacies. Covered entities are health care organizations, such as hospitals, that are eligible to purchase discounted outpatient drugs from pharmaceutical manufacturers. Relying heavily on rulings by the Fifth and Eight Circuits that denied challenges to similar laws in other states, the court disagreed with AbbVie's claims that Colorado's law is unconstitutional and preempted by the federal 340B program. The ruling comes after two other Colorado federal judges denied preliminary injunction motions by PhRMA and AstraZeneca in their challenges to Colorado's law.

The case is AbbVie Inc. et al. v. Weiser et al., number 1:25-cv-01847, in the U.S. District Court for the District of Colorado. Because the court dismissed the case with prejudice, a related appeal was dismissed as moot. That case is AbbVie Inc. et al. v. Weiser et al., number 25-1439, in the U.S. Court of Appeals for the Tenth Circuit.

One day earlier, the U.S. District Court for the Western District of Washington denied a motion for preliminary injunction by AbbVie, Novartis, and PhRMA in their bid to block Washington State's 340B law from becoming effective on June 11. The court found that the plaintiffs are not likely to succeed on the merits of their constitutional claims. Like other federal district courts that have rejected challenges to similar laws in other states, the court held that Washington's law regulates

the delivery and distribution of 340B drugs, which the 340B statutory scheme does not directly address.

The case is Novartis Pharmaceuticals Corp. et al. v. Brown et al., number 3:26-cv-05302, in the U.S. District Court for the Western District of Washington.

On June 3, the U.S. District Court for the Southern District of Mississippi granted summary judgment in favor of Mississippi Attorney General Lynn Fitch in a challenge to the state's 340B law by AbbVie and several other drugmakers. Previously, the plaintiffs lost their bid for a preliminary injunction in the case in 2024, which the Fifth Circuit later affirmed. However, the Fifth Circuit left the door open for the plaintiffs' claims to be relitigated given the sparse record before the court. After more than a year of discovery in the case, both parties moved for summary judgment. "Plaintiffs have had another opportunity to demonstrate that the illicit distribution scheme they allege is not just hypothetical, but in fact a reality. They have not done so," the court wrote. Citing Fifth Circuit precedent, the court reiterated that the state law regulates delivery, not the price, of drugs discounted under 340B.

The case is AbbVie Inc. et al. v. Lynn Fitch, number 1:24-cv-00184, in the U.S. District Court for the Southern District of Mississippi.

Fourth Circuit To Rehear Cases After Creating Circuit Split

May 28 – The Fourth Circuit granted petitions by West Virginia and Maryland for a rehearing *en banc* after a divided judicial panel temporarily enjoined laws in those states intended to prohibit drugmakers from limiting or restricting the acquisition or delivery of a 340B drug. In an *en banc* hearing, all or most of the circuit court's judges will hear a case together, rather than the usual three-judge panel, to resolve conflicting or important legal issues. In its petition, West Virginia argued that a rehearing is appropriate because the court's decision to enjoin the state's law "creates a new circuit split, breaks from precedent, and carries weighty practical and legal consequences."

In March, the Fourth Circuit ruled 2-1 to affirm an injunction of West Virginia's law, holding that the federal 340B statute likely preempts the law because it attempts to reshape the contractual bargain Congress makes with private parties through its spending powers. Citing that decision, the same panel in April overturned the denial of drugmakers' bid to enjoin a similar state law in Maryland. Those rulings created a circuit split with the Fifth and Eight Circuits, where drugmakers' attempts to block similar laws in other states have been denied.

The West Virginia cases are Pharmaceutical Research & Manufacturers of America v. McCuskey et al., number 25-1054; AbbVie Inc. et al. v. McCuskey, number 25-1055; and Novartis

Pharmaceuticals Corp. v. McCuskey et al., number 25-1056, in the U.S. Court of Appeals for the Fourth Circuit.

The Maryland cases are AbbVie Inc. et al. v. Anthony G. Brown et al., number 24-1939; Novartis Pharmaceuticals Corp. v. Anthony G. Brown et al., number 24-1949; and Pharmaceutical Research and Manufacturers of America v. Anthony G. Brown et al., number 24-1978, in the U.S. Court of Appeals for the Fourth Circuit.

Ninth Circuit Denies Drugmakers' Petition for Rehearing

May 27 – The Ninth Circuit declined to rehear its March ruling allowing a hospital chain to move forward with a False Claims Act (FCA) lawsuit against several drugmakers for allegedly causing the federal government to overpay for drugs under the 340B program. The three-judge panel did not provide a rationale for denying the rehearing petition. The order also noted that no judge from the full court requested a vote on whether to rehear the matter *en banc.* In petitioning the court for a rehearing, the companies wanted the court to examine the constitutionality of the FCA's qui tam (i.e., whistleblower) provisions.

The case is United States ex rel. Adventist Health System of West v. AbbVie Inc., number 24-218 (9th Cir. 2026). A summary of the court's March decision can be found in the April 2026 edition of our *Litigation & Case Law Tracker.*

Michigan Hospitals Claim CVS Diverted Millions in 340B Drug Savings

May 18 – Two University of Michigan hospital operators sued CVS Health, Caremark, CVS Specialty, and Wellpartner, alleging they used a secret pricing scheme to divert savings intended for safety-net providers under the federal 340B Drug Pricing Program. The hospitals claim that the affiliated entities work together to manipulate and reduce the reimbursement rate on 340B prescription claims after the point of sale, allowing CVS-affiliated entities to keep money that should have gone to the hospitals. According to the complaint, an internal investigation on a subset of claims revealed more than $66 million in lost revenue between 2020 and 2026. The plaintiffs assert claims for breach of contract, fraud, violations of a Michigan consumer protection law, and violations of the federal Racketeer Influenced and Corrupt Organizations Act.

The case is University of Michigan Hospitals and Health Centers et al. v. CVS Health Corp. et al., number 2:26-cv-11618, in the U.S. District Court for the Eastern District of Michigan.

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

- **AbbVie Inc. v. Kennedy et al.**, number 1:26-cv-01190, in the U.S. District Court for the District of Columbia.
- **Pharmaceutical Research and Manufacturers of America v. Nerohna**, number 26-1039, in the U.S. Court of Appeals for the First Circuit.

Health Insurers and Pharmacy Benefit Managers

Thousands of Pharmacies Allege PBM Engaged in Price Fixing

July 2 – Close to 5,000 pharmacies filed a lawsuit in the U.S. District Court for the Western District of Washington, alleging that Prime Therapeutics LLC entered into an unlawful price fixing arrangement with its co-conspirator, Express Scripts. According to the complaint, the agreement allowed Prime to impose reimbursement rates and fees on the plaintiffs that are less favorable than they otherwise would be, in violation of antitrust laws and in breach of contracts between the PBM and the pharmacies. The plaintiffs are suing through Protecting Access to Retail Pharmacies, which was formed by the National Community Pharmacists Association.

The case is Protecting Access to Retail Pharmacy LLC v. Prime Therapeutics LLC, number 2:26-cv-02335, in the U.S. District Court for the Western District of Washington.

Federal Court Preliminarily Blocks Alleged Prescription Cost Share Program

June 9 – The U.S. District Court for the Southern District of Florida granted a preliminary injunction stopping a purported "prescription cost share program" Eli Lilly claims is a fraudulent scheme to resell its GLP-1 medication on the secondary market. According to Lilly's lawsuit, filed on May 19, the defendants are a group of interrelated companies and individuals that operate a sham cost share program for a church with more than one million members. The group allegedly includes entities that hold themselves out as a church-affiliated payer, a pharmacy benefit manager (PBM), and an exclusive pharmacy for participants in the program. Lilly claims that the defendants purchase large amounts of the drugmaker's GLP-1 medication, seek rebates by representing to Lilly that the medication has been dispensed to patients, and filter rebate claims through a series of intermediaries to conceal the fraud. However, most of the prescriptions are fictional and the medication is sold to drug wholesalers on the secondary market, according to the complaint.

The preliminary injunction granted by the court prohibits the defendants from submitting rebate claims for any Lilly medication without providing certain additional information about the prescriber, patient, and prescription. It also bars the defendants from destroying certain

documents and messages related to their business operations, including records on the purchase and dispensation of Lilly's drugs.

The case is Eli Lilly and Company v. DrugPlace Inc. (FL) et al., number 1:26-cv-23516, in the U.S. District Court for the Southern District of Florida.

UnitedHealthcare Accused of Defrauding Massachusetts's Medicaid Program

May 29 – The Commonwealth of Massachusetts sued UnitedHealthcare, alleging that the insurer fraudulently obtained more than $100 million in excess payments from MassHealth by inflating patient assessments used to determine reimbursement rates. According to the complaint, United serves as a "senior care organization" (SCO) for MassHealth to administer a voluntary health care program for seniors. SCO plan providers are paid a per-member capitated rate for each senior enrolled in the program. The rates are determined based on the SCO's own assessments of members' health conditions, with higher rates paid for members that the SCO has represented have more serious health conditions.

The complaint alleges that United misrepresented the health assessments so members would be assigned to a higher level of care, resulting in higher payment rates from MassHealth to United. Member evaluations allegedly often included copied and pasted clinical assessments and inaccurate diagnoses, and "did not reflect comprehensive, accurate, and clinically appropriate reviews of members' capabilities and health conditions." The lawsuit, filed under the Commonwealth's False Claims Act, seeks treble damages and civil penalties against United.

The case is Commonwealth of Massachusetts v. UnitedHealthcare Insurance Co., number 2684CV01570, in the Suffolk County Superior Court of the Commonwealth of Massachusetts.

Aimed Alliance is monitoring the following additional cases relating to health insurers and PBMs. We will report any dispositive developments in these matters in future editions of our *Litigation & Case Law Tracker*.

- **Express Scripts Inc., et al. v. Richmond, et al.**, number 25-2529, in the U.S. Court of Appeals for the Eighth Circuit.
- **Gene B. Lokken et al. v. UnitedHealth Group Inc. et al.**, number 0:23-cv-03514, in the U.S. District Court for the District of Minnesota.
- **In re: Zelis Repricing Antitrust Litigation**, number 1:25-cv-10734, in the U.S. District Court for the District of Massachusetts.
- **Plumbers' Welfare Fund, Local 130 U.A. v. Express Scripts et al.**, number 1:26-cv-01718, in the U.S. District Court for the Northern District of Illinois.

- **Roofers' Unions Welfare Trust Fund v. CaremarkPCS Health LLC et al.**, number 1:26-cv-00162, in the U.S. District Court for the District of Rhode Island.
- **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.

Opioid Litigation

Pennsylvania Court Questions Oversight of Opioid Abatement Trust

The Commonwealth Court of Pennsylvania questioned how volunteer trustees of the state's Opioid Misuse and Addiction Abatement Trust review and reject projects funded by over $2 billion in opioid settlement money, expressing concern over the lack of a formal evidentiary record, factual findings and legal conclusions by the trustees. A three-judge panel heard separate but related appeals from the city of Philadelphia and three different counties whose projects were denied by the trust after funds had already been spent, raising questions about fairness and judicial review. The judges scrutinized the trustees' review and approval process, asking whether they use any formal rubric or standards when determining whether projects comply with settlement guidelines.

The court remanded the matter and directed the Board of Trustees of the Pennsylvania Opioid Misuse and Addiction Abatement Trust to file a written decision within 30 days explaining the reasoning underlying its project denials. At the same time, one of the judges suggested that the Commonwealth Court, which first created the trust to oversee spending of the opioid abatement funds, could consider amending its instructions for the trust so that trustees conduct reviews before, not after, a program is selected and money spent.

The cases are Philadelphia et al. v. Board of Trustees of the Pennsylvania Opioid Misuse and Addiction Abatement Trust, numbers 1056 CD 2025, 1057 CD 2025, 1081 CD 2025 and 1386 CD 2025, in the Commonwealth Court of Pennsylvania.

Purdue to Pay Billions as Part of Criminal Plea Deal with DOJ

April 28 – The U.S. District Court for the District of New Jersey accepted an October 2020 plea deal between the Department of Justice (DOJ) and Purdue Pharma LP, more than five years after the company pled guilty to criminal charges related to its role in fueling the U.S. opioid epidemic. The court's order clears a path for states to receive a share of billions of dollars in opioid abatement funds under Purdue's Chapter 11 bankruptcy plan.

Under the deal, Purdue must pay a criminal fine of $3.544 billion to be assessed in connection with the company's bankruptcy proceedings. It must also pay an additional $2 billion in criminal forfeiture. The DOJ will credit up to $1.775 billion against the forfeiture amount based on the value

conferred to state, local, and tribal governments through the company's bankruptcy if Purdue ceases to operate and emerges from bankruptcy as a public benefit company. The public benefit company's proceeds will be used for state and local opioid abatement programs.

The criminal case is U.S. v. Purdue Pharma LP, number 2:20-cr-01028, in the U.S. District Court for the District of New Jersey.

The bankruptcy case is In re: Purdue Pharma LP, number 7:19-bk-23649, in the U.S. Bankruptcy Court for the Southern District of New York.

Patient Privacy

Blue Shield of California Escapes Wiretap Act Suit for Now

July 10 – The U.S. District Court for the Northern District of California dismissed a proposed class action alleging Blue Shield of California violated the federal Wiretap Act by enabling Meta and Google to intercept sensitive health data through tracking tools installed on the insurer's website. The Wiretap Act prohibits the interception of electronic communications without consent and the use of such communications while having reason to know that the information was obtained through unlawful interception. However, the court found the plaintiffs lacked subject matter jurisdiction and failed to state a claim under the Act because the alleged acts of interception are by non-parties Meta and Google, not Blue Shield. The court dismissed the complaint without prejudice, allowing the plaintiffs to file an amended complaint within 21 days of the order.

The case is In re Blue Shield of California Privacy Litigation, number 4:25-cv-03209, in the U.S. District Court for the Northern District of California.

Proposed Class Action Claims Planned Parenthood Unlawfully Shared Sensitive Info with Tech Companies

June 19 – Three anonymous patients filed a proposed class action lawsuit against Planned Parenthood and certain regional affiliates, alleging that the companies used tracking technologies on their website and patient portals to transmit sensitive information to third parties, such as Google and Meta, without patients' consent. Information collected and shared allegedly included appointment details; age and geographic information; and for some abortion-seeking patients, menstrual cycle details. The plaintiffs claim that tracking tools such as Google Tag Manager and Meta Pixel collected and transmitted data even when users attempted to opt out through cookie settings. The plaintiffs seek nationwide class certification, declaratory and injunctive relief, and monetary damages for breach of contract and violations of various federal and state consumer protection and privacy laws.

The case is C.B. et al. v. Planned Parenthood Federation of America, Inc. et al., number 1:26-cv-05201, in the U.S. District Court for the Southern District of New York.

Portion of Wiretapping Suit Against Express Scripts Survives Motion to Dismiss

June 17 – The U.S. District Court for the Northern District of California refused to dismiss key portions of a proposed class action alleging Express Scripts allowed Meta to intercept users' health information through Meta Pixel tracking technology on the Express Scripts platform. In its motion to dismiss, the pharmacy benefit manager argued that its privacy policy puts users on notice about its use of pixel-tracking technology to track website interactions and communications for advertising or other purposes; however, the court found that a reasonable user could have understood those disclosures to mean health information would still be protected under applicable privacy laws. As such, the court allowed the plaintiff's federal Wiretap Act and California privacy claims to proceed insofar as they relate to alleged interception of health information through Meta Pixels. At the same time, the court dismissed the plaintiff's claims to the extent those claims were based on the alleged interception of other, non-health personal information.

The case is Lynch v. Express Scripts Holding Co., number 4:23-cv-01170, in the U.S. District Court for the Northern District of California.

Proposed FTC Settlement Bars Data Broker From Selling Sensitive Geolocation Data

May 4 – Kochava Inc. and a subsidiary agreed to settle a lawsuit filed by the Federal Trade Commission in 2022 alleging the data broker and mobile app analytics provider unlawfully sold geolocation data that could be used to track people to reproductive health clinics, places of worship and other sensitive places. Under the proposed settlement, the companies are barred from selling or disclosing sensitive location data unless consumers provide affirmative express consent and the data is used for a service the consumer directly requested. The agreement also requires the companies to maintain a list of sensitive locations, verify that third-party data suppliers obtained proper consent, establish data-retention controls, and report certain data-sharing violations to the FTC. The defendants neither admitted nor denied any wrongdoing as part of the settlement.

The case is Federal Trade Commission v. Kochava Inc. et al., number 2:22-cv-00377, in the U.S. District Court for the District of Idaho.

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