## IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS WICHITA FALLS DIVISION

TEXAS, KANSAS, LOUISIANA, INDIANA, WISCONSIN, and NEBRASKA,

Plaintiffs,

v.

UNITED STATES OF AMERICA, UNITED STATES DEPARTMENT OF HEALTH AND HUMAN SERVICES, ALEX AZAR, in his Official Capacity as SECRETARY OF HEALTH AND HUMAN SERVICES, UNITED STATES INTERNAL REVENUE SERVICE, AND DAVID J. KAUTTER, in his Official Capacity as ACTING COMMISSIONER OF INTERNAL REVENUE,

Defendants.

Civil Action No. 7:15-CV-00151-O

# MOTION FOR EXPEDITED CONSIDERATION OF PLAINTIFFS' MOTION FOR LEAVE TO FILE A SECOND AMENDED COMPLAINT

Plaintiffs, by and through counsel, and pursuant to Federal Rule of Civil Procedure 7, hereby move the Court for expedited consideration of Plaintiffs' Motion for Leave to File a Second Amended Complaint. In support of this Motion, Plaintiffs hereby state as follows:

1. On September 7, 2018, Plaintiffs filed a Motion for Leave to File a Second Amended Complaint ("Motion for Leave"). The proposed amendments to Plaintiffs' complaint relate to the imposition of the 2018 Health Insurance Providers Fee ("HIPF") on Plaintiffs. Payments of HIPF liability are due on October 1, 2018.

See Affordable Care Act Provision 9010 – Health Insurance Providers Fee, https://www.irs.gov/businesses/corporations/affordable-care-act-provision-9010.1

- 2. Specifically, Plaintiffs are seeking declaratory and injunctive relief aimed at preventing the collection of the 2018 HIPF from Plaintiffs' Medicaid and Children's Health Insurance Program ("CHIP") managed care organizations ("MCOs").
- 3. Only days ago, Plaintiffs received confirmation from their Medicaid and CHIP MCOs that, over Plaintiffs' protests, Defendants are demanding that Plaintiffs' Medicaid and CHIP MCOs pay 2018 HIPF liability premised on capitation rates for Medicaid and CHIP. Even though this Court ordered equitable disgorgement as a remedy for Plaintiffs to recoup the HIPF payments for 2014, 2015, and 2016, the money spent for the 2018 HIPF will be forever lost if an appellate decision invalidates this Court's order of equitable disgorgement or otherwise sustains the merits of Plaintiffs' claims regarding the incurrence of HIPF liability, but forecloses a remedial path for Plaintiffs to get their taxpayers' money back. Plaintiffs seek leave to amend their complaint at the present time because their claims related to the 2018 HIPF are now ripe, and the threat of an irreparable injury is imminent.
- 4. Plaintiffs ask this Court to grant Plaintiffs' Motion for Expedited Consideration of the Motion for Leave in light of the fast approaching September 30, 2018 deadline and because Plaintiffs intend to file a motion for temporary restraining order and preliminary injunction the week of

<sup>&</sup>lt;sup>1</sup> These payments are normally due on September 30. Since September 30, 2018 falls on a Sunday, the IRS has moved the deadline to October 1, 2018.

September 10, 2018 to stop Defendants from collecting the 2018 HIPF from Plaintiffs' Medicaid and CHIP MCOs. Though the Court ruled the Certification Rule unlawful, Plaintiffs can demonstrate to the Court that permitting 2018 HIPF liability on Plaintiffs' MCOs still results in HIPF liability for Plaintiffs.

Accordingly, Plaintiffs respectfully request that the Court enter an order granting expedited consideration of Plaintiff's Motion for Leave to File a Second Amended Complaint, requiring Defendants to response to Plaintiffs' Motion for Leave no later than 5:00 p.m. CDT on Monday, September 10, 2018, and issuing an order on the Motion for Leave as soon as possible thereafter.

Respectfully submitted this 7th day of September, 2018.

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Attorney General of Kansas
JEFF LANDRY
Attorney General of Louisiana
CURTIS HILL
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ATTORNEYS FOR PLAINTIFFS

#### CERTIFICATE OF CONFERENCE

I hereby certify that, on September 6, 2018, I conferred with counsel for Defendants concerning this Motion. Defendants oppose it.

<u>/s/ David J. Hacker</u> DAVID J. HACKER

#### CERTIFICATE OF SERVICE

I hereby certify that on September 7, 2018, I electronically filed the foregoing document through the Court's ECF system, which automatically serves notification of the filing on counsel for all parties.

/s/ Austin R. Nimocks AUSTIN R. NIMOCKS

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Defendants.

Civil Action No. 7:15-CV-00151-O

# [PROPOSED] ORDER GRANTING PLAINTIFFS' MOTION FOR EXPEDITED CONSIDERATION OF PLAINTIFFS' MOTION FOR LEAVE TO FILE A SECOND AMENDED COMPLAINT

On this day came to be considered Plaintiffs' Motion for Expedited Consideration of Plaintiffs' Motion for Leave to File a Second Amended Complaint (the "Motion"). This Court finds that Plaintiffs have shown that the recent ripening of their new claims, combined with the upcoming October 1, 2018 deadline to pay the 2018 Health Insurance Providers Fee warrant expedited consideration of the Motion for Leave to File a Second Amended Complaint. Being fully advised, and for good cause shown, Plaintiffs' Motion is GRANTED.

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Accordingly, it is ORDERED, ADJUDGED and DECREED that the Court will consider the merits of Plaintiffs' Motion for Leave to File a Second Amended Complaint in an expedited manner. Any response that Defendants intend to file to Plaintiffs' Motion for Leave to File a Second Amended Complaint shall be filed no later than 5:00 p.m. CDT on Monday, September 10, 2018.

SO ORDERED this the\_\_\_\_\_ day of \_\_\_\_\_\_, 2018

HON. REED O'CONNOR UNITED STATES DISTRICT JUDGE