

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

HEALTHYCT, INC.,	:	
	:	Case No. 17-1233C
Plaintiff,	:	
	:	Judge Solomson
v.	:	
	:	
THE UNITED STATES OF AMERICA,	:	
	:	
Defendant.	:	

STIPULATION FOR ENTRY OF JUDGMENT

To resolve the claims of Plaintiff, HealthyCT, Inc. (“HealthyCT”), and the defenses of the United States, and to permit the entry of final judgment on those claims and defenses, it is stipulated between the Parties:

BACKGROUND

1. The Patient Protection and Affordable Care Act, Pub. L. No. 111-148 (2010), 124 Stat. 119, and the Health Care Reconciliation Act of 2010, Pub. L. No. 111-152 (2010), 124 Stat. 1029 (collectively, the “ACA”) created several interrelated programs under which the Parties’ respective claims and defenses arise.

2. The ACA created three interrelated risk mitigation programs. Specifically, section 1341 (42 U.S.C. § 18061) created the reinsurance program; section 1342 (42 U.S.C. § 18062) created the risk corridors program; and section 1343 (42 U.S.C. § 18063) created the risk adjustment program. Under these programs, HealthyCT either owes payment to or is owed payment from the United States.

3. Section 1412 of the ACA (42 U.S.C. § 18082) authorizes advance payment of premium tax credits (“APTCs”) to insurers. Section 1402 (42 U.S.C. § 18071) authorizes cost-sharing reductions (“CSRs”). And sections 1343 (42 U.S.C. § 18063), 1311 (42 U.S.C. § 18031),

and 1321 (42 U.S.C. § 18041) authorize the United States to collect user fees for its operation of the risk adjustment program. HealthyCT owes the United States under the Risk Adjustment and Reinsurance programs, and for APTCs, CSRs, and user fees.

CLAIMS AND DEFENSES

4. On September 12, 2017, HealthyCT filed the Complaint in this Court seeking damages under section 1342 of the ACA. The Complaint asserts six counts, each asserting a separate theory for risk corridors damages.

5. On October 13, 2017, the Court entered an order staying these proceedings.

6. On April 27, 2020, the United States Supreme Court held that section 1342 of the ACA “created an obligation neither contingent on nor limited by the availability of appropriations or other funds,” that the obligation was not affected by subsequently enacted legislation, and that the “petitioners may seek to collect payment through a damages action in the Court of Federal Claims.” *Maine Community Health Options v. United States*, 140 S. Ct. 1308, 1323, 1331 (2020).

7. The Parties agree that *Maine Community Health Options* entitles HealthyCT to payment under section 1342. The Parties further agree that amounts owed to the United States under the ACA shall be offset against payments made under section 1342 to HealthyCT.

DAMAGES

8. The Parties stipulate that HealthyCT is entitled to payment from the United States under the risk corridors program in the amount of \$41,692,765.44.

9. The Parties further stipulate that the United States is entitled to payment from HealthyCT under the risk adjustment program in the amount of \$1,610,509.52; that the United States is entitled to payment under the reinsurance program in the amount of \$1,028,131.38; that the United States is entitled to payment of APTCs in the amount of \$488,184.57; that the United

States is entitled to payment of CSRs in the amount of \$1,708,240.24; that the United States is entitled to payment of risk adjustment user fees in the amount of \$46,118.16; and that the United States is entitled to interest on these amounts in the amount of \$1,406,893.83, as of June 15, 2020. The parties agree that no further offsets to this judgment for ACA-related debts, including but not limited to alleged amounts related to the solvency or start-up loans, will be taken by the United States. Nothing in this Stipulation shall otherwise affect the United States' right to offset or levy payments as required by 31 U.S.C. § 3716 or 26 U.S.C. § 6331, respectively.

10. Accordingly, the Parties jointly request that the Court enter judgment in favor of HealthyCT in the amount of \$41,692,765.44, and judgment in favor of the United States in the amount of \$6,288,077.70. The judgment in favor of the United States shall be paid through deduction from the amount owed under this judgment to HealthyCT upon submission of the judgments to the Judgment Fund. The net amount payable by the United States to HealthyCT pursuant to this judgment is \$35,404,687.74.

11. The Parties further jointly request that the Court dismiss Counts II-VI with prejudice.

12. Upon entry of judgment, HealthyCT (HIOS No. 91069) releases the United States, its agencies, instrumentalities, officers, agents, employees, and servants, from all claims (including attorney fees, costs, and expenses of every kind and however denominated) that HealthyCT has asserted, could have asserted, or may assert in the future against the United States, its agencies, instrumentalities, officers, agents, employees, and servants, arising under or related to section 1342 of the ACA.

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