

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

HEALTH NET, INC.,)	
)	
Plaintiff,)	No. 16-1722C
)	
v.)	
)	Judge Victor J. Wolski
THE UNITED STATES OF AMERICA)	
)	
Defendant.)	
_____)	

JOINT STATUS REPORT AND REQUEST TO CONTINUE STAY OF PROCEEDINGS

On January 31, 2018, Health Net, Inc., and the United States of America submitted a Joint Status Report (JSR) requesting that the Court continue the stay of proceedings in this case until the Federal Circuit decides *Land of Lincoln Mutual Health Insurance Company v. United States*, No. 17-1224, and *Moda Health Plan, Inc. v. United States*, No. 17-1994. Dkt. 19. The parties further requested that the Court order the parties to file a JSR within 14 days of any disposition of those appeals, proposing a schedule for further proceedings. *Id.* As numerous judges of this Court have recognized, the issues involved in *Land of Lincoln* and *Moda* are nearly identical or substantially similar to those involved in the 50 or so other cases before this Court, such as this one, in which health insurance companies claim that they are entitled to additional payments under the risk corridors program created by section 1342 of the Patient Protection and Affordable Care Act, 42 U.S.C. § 18062. In all, insurers seek to recover approximately \$12.3 billion from the United States.

On June 14, 2018, the Federal Circuit decided *Land of Lincoln* and *Moda*. No. 17-1224, Dkt. 166-1; No. 17-1994, Dkt. 87-1. The parties thus submit this JSR consistent with the procedure suggested by the parties in their January 31, 2018 JSR.

The Federal Circuit reversed the judgment in the insurer's favor in *Moda* and affirmed the judgment in favor of the United States in *Land of Lincoln*. The Federal Circuit rejected the insurers' claims for additional payments under the risk corridors program based upon statutory, contract and takings theories. *Moda*, No. 17-1994, Dkt. 87-1 at 35; *Land of Lincoln*, No. 17-1224, Dkt. 166-1 at 3. It is defendant's position that the Federal Circuit's rulings govern this case and warrant judgment for the United States. However, plaintiff has requested that the United States consent to the continuation of the stay now in effect, *see* Dkt. 17, through the time provided in the appellate court's rules for the filing of a petition for rehearing and/or rehearing en banc, Fed. Cir. R. 35, 40, and through the resolution of any petition for a writ of certiorari.

In order to conserve the resources of the parties and this Court, the parties respectfully request that the Court continue the stay in this case until the Federal Circuit has issued its mandates in *Moda* and *Land of Lincoln* and through the time for the disposition of any petition for a writ of certiorari that may be filed before the United States Supreme Court. The parties propose that they be required to file a status report with this Court within 15 days after the judgments in *Moda* and *Land of Lincoln* have become final and non-appealable.

Dated: June 27, 2018

/s/ Christopher Flynn

Christopher Flynn
Stephen McBrady
Xavier Baker
CROWELL & MORING LLP
1001 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: (202) 624-2500
Fax: (202) 628-5116
cflynn@crowell.com
Counsel for Plaintiff Health Net

OF COUNSEL:

Daniel Wolff
Sharmistha Das
CROWELL & MORING LLP
1001 Pennsylvania Avenue, NW
Washington, DC 20004
Tel: (202) 624-2500

Counsel for Plaintiff Health Net

Respectfully submitted,

CHAD A. READLER
Principal Deputy Assistant Attorney General

RUTH A. HARVEY
Director
Commercial Litigation Branch

KIRK T. MANHARDT
Deputy Director

/s/ Marc S. Sacks
MARC S. SACKS
TERRANCE A. MEBANE
FRANCES M. MCLAUGHLIN
L. MISHA PREHEIM
PHILLIP M. SELIGMAN
SHANE HUANG
Commercial Litigation Branch
Civil Division
United States Department of Justice
P.O. Box 875
Ben Franklin Station
Washington D.C. 20044
Tel. (202) 307-1104
Fax (202) 514-9163
marcus.s.sacks@usdoj.gov

ATTORNEYS FOR THE UNITED
STATES