

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

BLUE CROSS OF IDAHO HEALTH	:	
SERVICE, INC.,	:	No. 16-1384C
	:	
Plaintiff,	:	Judge Lettow
	:	
v.	:	
	:	
THE UNITED STATES OF AMERICA,	:	
	:	
Defendant.	:	

**JOINT STATUS REPORT AND
REQUEST TO CONTINUE STAY OF PROCEEDINGS**

On March 8, 2017, the Court stayed this case pending the Federal Circuit’s decisions in *Land of Lincoln Mutual Health Insurance Company v. United States*, No. 17-1224, and *Moda Health Plan, Inc. v. United States*, No. 17-1994. Docket No. 19. On August 28, 2017, the Court stayed this case pending the Federal Circuit’s decisions in *Land of Lincoln Mutual Health Insurance Company v. United States*, No. 17-1224, and *Moda Health Plan, Inc. v. United States*, No. 17-1994. Docket No. 27. As numerous judges of this Court have recognized, the risk corridors issues involved in *Land of Lincoln* and *Moda* are nearly identical or substantially similar to those involved in the 50 or so other risk corridors cases pending before this Court seeking recovery of additional payments under the risk corridors program created by section 1342 of the Patient Protection and Affordable Care Act, 42 U.S.C. § 18062.

The Court required the parties to submit a status report no later than 15 days following the *Land of Lincoln* and *Moda* decisions. Docket No. 19. On June 14, 2018, the Federal Circuit decided *Land of Lincoln* and *Moda*. No. 17-1224, Docket No. 166-1; No. 17-1994, Docket No. 87-1.

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, Docket No. 87-1 at 35; *Land of Lincoln*, No. 17-1224, Docket No. 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. It is plaintiffs' position that the majority's ruling in *Moda* and *Land of Lincoln* as to the interpretation and effect of the appropriations riders was erroneous and should be reversed. However, plaintiffs have requested that the United States consent to the continuation of the stay now in effect 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 jointly request that the Court continue the stay in this case until the Federal Circuit has issued its final mandates in *Moda* and *Land of Lincoln* and through the time for the final 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/ Lawrence S. Sher
Lawrence S. Sher (D.C. Bar No. 430469)
REED SMITH LLP
1301 K Street NW
Suite 1000-East Tower
Washington, DC 20005
Telephone: 202.414.9200
Facsimile: 202.414.9299
Email: lsher@reedsmith.com

Of Counsel:

Conor M. Shaffer (PA Bar No. 314474)
REED SMITH LLP
Reed Smith Centre
225 Fifth Avenue, Suite 1200
Pittsburgh, PA 15222
Telephone: 412.288.3131
Facsimile: 412.288.3063
Email: cshaffer@reedsmith.com

*Counsel for Blue Cross of Idaho Health
Service, Inc.*

Respectfully submitted,

CHAD A. READLER
Acting Assistant Attorney General

RUTH A. HARVEY
Director
Commercial Litigation Branch

KIRK T. MANHARDT
Deputy Director

/s/ Terrance A. Mebane
TERRANCE A. MEBANE
MARC S. SACKS
FRANCES M. MCLAUGHLIN
PHILLIP M. SELIGMAN
SHANE HUANG
United States Department of Justice
Civil Division, Commercial Litigation Branch
Telephone: (202) 307-0493
Facsimile: (202) 307-0494
Terrance A. Mebane@usdoj.gov

Attorneys for the United States of America