

Calif. Appeals Court Revives Antitrust Suit Against Claritev

By **Rae Ann Varona**

Law360 (September 23, 2026, 10:47 PM EDT) -- A California state appeals court held in a published opinion that health insurer reimbursements for services are prices that, if fixed or tampered with, are subject to antitrust scrutiny, reviving a lawsuit that accused MultiPlan Corp. of violating antitrust law through pricing tools used by health insurance providers.

A three-judge panel Monday reversed a judgment that favored MultiPlan Corp., now known as Claritev Corp., saying a lower court was wrong to conclude that reimbursements for out-of-network services are not subject to price fixing or tampering within the meaning of the Cartwright Act, California's primary state antitrust law.

"We see no basis for exempting this category of payments from the broad reach of the Cartwright Act," Justice Alison M. Tucher said on the panel's behalf.

Justice Tucher said the Cartwright Act "indisputably applies to protect competition in the market for medical services."

"And it generally prohibits the fixing of prices by buyers, as well as sellers," she said. "Thus, we fail to see why the insurers' purchases of the medical services at issue here would be exempt from antitrust scrutiny for price fixing. Nothing in the language of the statute suggests such a carve-out."

VHS Liquidating Trust — bankruptcy liquidator for Verity Health System of California Inc. — accuses MultiPlan of orchestrating an unlawful agreement with major health insurers to fix and reduce reimbursement rates paid for out-of-network services.

MultiPlan, VHS claims, offered "repricing" services to more than 700 insurers and was repricing roughly 370,000 out-of-network claims every day. VHS says insurers pay MultiPlan's recommended repricing rates 87% of the time "without any human touch," and with "human touch," the rate of insurer adherence to MultiPlan's recommendations went up to 95%. VHS further claims that for inpatient care, MultiPlan has estimated that providers accept repriced amounts for out-of-network services 93% to 99.4% of the time.

MultiPlan also touts its universal adoption among major players in the insurance industry, both publicly and privately, VHS contends.

VHS asserts five counts under the Cartwright Act and a single count under California's Unfair

Competition Law premised on the same conduct as the Cartwright Claims.

A trial court in August 2024 tossed the suit when sustaining MultiPlan's bid for a demurrer without leave to amend, concluding that reimbursements for out-of-network services are not subject to price fixing or tampering within the meaning of the Cartwright Act.

Superior Court Judge Anne-Christine Massullo, who has since retired, agreed with MultiPlan that "price-fixing liability cannot attach here in the absence of a 'discrete product (or service) that can be bought and the price of which can be fixed through an unlawful agreement.'"

"Reimbursement for [out-of-network] service are part and parcel of a health insurance policy rather than a standalone product or service," the judge stated.

The First Appellate District said Monday that the lower court also erroneously sustained the demurrer under federal antitrust law.

"Even under federal antitrust law, which protects competition less assertively than does the Cartwright Act, we would find that insurers' reimbursements to providers are prices that, if fixed or tampered with, may give rise to antitrust liability," Justice Tucher said.

She noted that the panel was persuaded by a June 2025 decision of an Illinois federal court overseeing multidistrict litigation against MultiPlan that out-of-network reimbursement rates are "prices" that can be fixed within the meaning of antitrust law.

She said U.S. Supreme Court and federal appellate cases also have recognized that insurer-provider transactions are legally distinct from obligations an insurer owes to subscribers, "and the transactions are subject to antitrust scrutiny."

Justice Tucher said it is "irrelevant for antitrust purposes" whether the transaction between insurer and provider is framed as a purchase or as a reimbursement."

"Either way, it is unlawful for insurers to agree to fix the price of OON reimbursements, just as it is unlawful for providers to do so," Justice Tucher stated. "We see no reason to reach a different conclusion under the Cartwright Act, which is broader than its federal counterpart."

Patrick M. Ryan of Bartko Pavia LLP and lead appellate counsel for VHS, on Wednesday called the First Appellate District's ruling a "landmark antitrust decision, recognizing that California's antitrust laws are broader and deeper than federal law and that healthcare providers are protected by such laws from anticompetitive practices by insurers and their co-conspirators, such as MultiPlan."

"The court made clear that if insurers coordinate the amounts they pay hospitals and physicians, that's price fixing," Ryan said in a statement.

He said the decision "puts the healthcare industry on notice: healthcare payments are prices, and collusion over those prices is unlawful."

"The opinion at long last kicks open the courthouse doors to hospitals and providers harmed by anticompetitive coordinated reimbursement practices," he said. "We expect it to have consequences far beyond this case."

Counsel for MultiPlan declined to comment.

Justices Alison M. Tucher, Carin T. Fujisaki and Ioana Petrou sat on the panel for the First Appellate District.

VHS is represented by Patrick M. Ryan, Marisa C. Livesay, Chad E. DeVeaux, Brittany N. DeJong, Daven Lowhurst, Kelly Coleman, Ian Papendick, Tyler M. Cunningham, Kenneth Richard, Sean R. McTigue, Steve Vieux, P. Casey Mathews, Scott W. Glassmoyer and John "Jack" McLean of Bartko Pavia LLP.

MultiPlan is represented by Errol J. King Jr. of Phelps Dunbar LLP and Mohammad Keshavarzi, John M. Landry and Matthew G. Halgren of Sheppard.

The case is VHS Liquidating Trust v. MultiPlan Corp. et al., case number A171914, in the Court of Appeal of the State of California, First Appellate District.

--Additional reporting by Matthew Perlman. Editing by Kristen Becker.