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BARTKO PAVIA SECURES LANDMARK CALIFORNIA APPELLATE VICTORY, ON BEHALF OF ONE OF ITS HOSPITAL CLIENTS, REVIVING ANTITRUST CLAIMS AGAINST MULTIPLAN

First-of-Its-Kind Published Decision Holds That Health Insurer Reimbursements to Hospitals and Physicians Are Prices Subject to California Antitrust Law

Press Release

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FOR IMMEDIATE RELEASE

SAN FRANCISCO, September 23, 2026 — Bartko Pavia won a groundbreaking appellate victory that could reshape healthcare antitrust litigation nationwide. In a first of its kind decision, the California Court of Appeal held that health insurer reimbursements to hospitals and physicians are prices that if fixed through collusive conduct, are subject to antitrust scrutiny.

The unanimous decision, certified for publication on September 21, 2026, revives antitrust claims brought by the VHS Liquidating Trust against MultiPlan Corporation. The reversal of the trial court's erroneous ruling will greatly benefit California's healthcare industry, especially providers. As the Court of Appeal stated, "we note with concern that the trial court's ruling ***would appear to exempt a significant portion of the healthcare industry from antitrust scrutiny***, particularly when coupled with [trial] courts' repeated refusal to allow subscribers to challenge similar conduct." that otherwise would have placed a substantial segment of the healthcare industry beyond antitrust scrutiny.

The published decision, *VHS Liquidating Trust v. MultiPlan Corporation et al.*, reversed the dismissal of claims alleging that MultiPlan served as the hub of a conspiracy through which competing insurers coordinated reimbursement rates for out-of-network healthcare services, suppressing payments to hospitals and healthcare providers.

The Court held that reimbursements paid by insurers to healthcare providers are prices subject to California's Cartwright Act and found "no basis for exempting this category of payments from the broad reach" of California antitrust law.

According to allegations detailed in the complaint, MultiPlan's repricing platform is used by more than 700 insurers, including each of the nation's fifteen largest health insurers, to reprice approximately 370,000 out-of-network claims every day. As alleged by VHS, insurers pay MultiPlan's recommended repricing rates 87 percent of the time " 'without any human touch.' " With "human touch," the rate of insurer adherence to MultiPlan's recommendations rises to 95 percent. For inpatient care, MultiPlan has estimated that providers accept their repriced amounts for OON services 93 to 99.4 percent of the time. In addition, MultiPlan touts its universal adoption among the insurance industry's major players, both publicly and privately, so all of the insurers knew that their competitors were generally adhering to the pricing scheme. As a result, VHS alleges that from MultiPlan's public statements alone, insurers know that all of their competitors "(a) are under long-term commercial OON repricing contracts with MultiPlan; (b) submit their competitively sensitive claims data to MultiPlan regularly; and (c) follow MultiPlan's specific granular prices for commercial OON reimbursements 93% to 99.4% of the time (most often without any human touch), such that they can rely on the assurances from MultiPlan that all of their significant would-be competitors are 'in on it' too." The lawsuit alleges that those practices enabled insurers to suppress provider reimbursements both for in-network and out-of-network services below competitive levels.

The ruling revives claims brought by the VHS Liquidating Trust, the successor to Verity Health System, which at one time, was one of California's largest nonprofit hospital systems. The Trust alleges that artificially depressed reimbursement rates by insurance companies caused it significant harm.

"*MultiPlan* is 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" said Patrick M. Ryan, Co-Managing Partner of Bartko Pavia and lead appellate counsel for the VHS Liquidating Trust. "The Court made clear that if insurers coordinate the amounts they pay hospitals and physicians, that's price fixing. Calling it 'repricing' doesn't change what it is - price fixing. And that's illegal per se."

Ryan added: "For years, insurers have argued that provider reimbursements are somehow beyond the reach of the antitrust laws. But the Court of Appeal flatly rejected that argument. This decision puts the healthcare industry on notice: healthcare payments are prices, and collusion over those prices is unlawful." He continued: "The opinion at long last kicks open the courthouse doors to hospitals and providers harmed by anticompetitive coordinated reimbursement practices. We expect it to have consequences far beyond this case."

The Court also reaffirmed that California's Cartwright Act is "broader in range and deeper in reach than the Sherman Act," extending that principle directly to healthcare reimbursement practices and alleged coordination among insurers.

The case now returns to the trial court for further proceedings.

Bartko Pavia represents the VHS Liquidating Trust through a team consisting of:

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Case Information

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Court: California Court of Appeal, First Appellate District, Division Three
Case No.: A171914
Trial Court Case No.: CGC-21-594966
Decision Certified for Publication: September 21, 2026

About Bartko Pavia LLP

Bartko Pavia LLP is a powerhouse litigation and transactional firm representing both plaintiffs and defendants in high-stakes commercial disputes, real estate transactions, class actions, antitrust matters, labor and employment litigation, and bet-the-company cases. The firm is known for combining elite legal talent with a client-focused, service-oriented culture that prioritizes practical business solutions over conventional law firm metrics. Bartko Pavia's team includes numerous former in-house counsel and business leaders who bring real-world experience to their practice. For more information, visit www.bartkopavia.com

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