

**UNITED STATES JUDICIAL PANEL  
on  
MULTIDISTRICT LITIGATION**

**IN RE: CHANGE HEALTHCARE, INC., CUSTOMER  
DATA SECURITY BREACH LITIGATION**

MDL No. 3108

**ORDER VACATING CONDITIONAL TRANSFER ORDER**

**Before the Panel:** Plaintiff in the *Diagnostic Imaging Alliance of Louisville (DIAL)* action listed on Schedule A moves under Panel Rule 7.1 to vacate the order that conditionally transferred the action to the District of Minnesota for inclusion in MDL No. 3108. Defendants Change Healthcare Operations, LLC, and Change Healthcare Solutions LLC oppose the motion.

After considering plaintiff's arguments, we find that transfer of *DIAL* under 28 U.S.C. § 1407 will not serve the convenience of the parties and witnesses or promote the just and efficient conduct of the litigation. In our order centralizing this litigation, we held that the District of Minnesota was an appropriate Section 1407 forum for actions sharing factual questions arising from a February 2024 cyberattack on Change Healthcare's network, which exposed the private information of millions of individuals and severely disrupted the ability of physicians, pharmacies, and other healthcare providers to use Change Healthcare's digital platform to access insurance information, fill prescriptions, submit insurance claims, and receive payment for services provided to patients. *See In re Change Healthcare, Inc., Customer Data Sec. Breach Litig.*, 737 F. Supp. 3d 1367 (J.P.M.L. 2024). The MDL has since grown to include actions brought by health insurance companies and claims relating to the Temporary Funding Assistance Program (TFAP) established by Change Healthcare entities, which provided loans to healthcare providers experiencing cashflow issues due to the disruptions caused by the data breach. *See, e.g.*, Transfer Order, MDL No. 3108 (J.P.M.L. June 2, 2025), ECF No. 412.

Like many plaintiffs in the MDL, plaintiff in *DIAL* is a healthcare provider that alleges it contracted with the Change defendants for practice management services before the data breach and that defendants failed to perform the services called for. In its first amended complaint, plaintiff stated that, after the data breach and the shutdown of defendants' platform, defendants' services deteriorated further, and plaintiff was left without access to the data required to permit a new vendor to take over. In addition, plaintiff asserted that it accepted a TFAP loan from defendants and that the loan terms were one-sided and unreasonable. It sought damages and to set off the loan repayments against monies allegedly owed to it by defendants. On July 23, 2025, however, plaintiff filed a second amended complaint that eliminated all references to the data breach and the TFAP loan. Plaintiff, in its second amended complaint, alleges only that the Change defendants breached the parties' contract starting in 2022 by failing to perform the promised

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services, *i.e.*, to bill patients, submit insurance claims, and collect payments, and that the breaches of contract continued for some unspecified period.<sup>1</sup>

The Change defendants argue that, despite DIAL's amended complaint, the action shares questions of fact and law with the MDL. Defendants note that the amended complaint alleges that defendants' breach of contract continued "over time" and "has not been cured." According to defendants, this shows that plaintiff still intends to pursue a claim for damages caused by defendants' failure to perform contracted-for services after the date of the cyberattack. Defendants maintain that the action therefore will require discovery as to how the cyberattack occurred, the extent to which services were disrupted, and the steps taken to restore access to the Change platform. In addition, defendants argue, plaintiff "likely" will seek to set off and retain the proceeds of its TFAP loan and defendants "may" bring a counterclaim for repayment of the TFAP loan.

We are not persuaded that transfer is warranted in these circumstances. On its face, the second amended complaint does not allege that defendants' breaches of contract continued beyond the date of the cyberattack. The complaint includes no express allegations relating to the cyberattack, the shutdown of the Change platform, the inaccessibility of DIAL's data after the attack, or plaintiff's TFAP loan. If DIAL wishes to limit its claims in this way, it is entitled to do so. If plaintiff does not intend to pursue claims or discovery relating to the data breach or TFAP loan, transfer would offer no apparent efficiencies. It is possible that—as defendants predict—the Change cyberattack or plaintiff's TFAP loan will become issues in the case, but we will not engage in speculation about the future course of this litigation. If the cyberattack later becomes a subject of discovery, plaintiff seeks to offset TFAP loan repayments against its alleged damages, or defendants bring a counterclaim based on plaintiff's TFAP loan, any party may again notice the action as a potential tag-along action.

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<sup>1</sup> Plaintiff's second amended complaint was filed after defendants filed their response to the motion to vacate the conditional transfer order.

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It is therefore ORDERED that the Panel's conditional transfer order designated "CTO-17" is vacated.

PANEL ON MULTIDISTRICT LITIGATION

A handwritten signature in cursive script, reading "Karen K. Caldwell", is positioned above a horizontal line.

Karen K. Caldwell  
Chair

Nathaniel M. Gorton  
Matthew F. Kennelly  
Dale A. Kimball

David C. Norton  
Roger T. Benitez  
Madeline Cox Arleo

**IN RE: CHANGE HEALTHCARE, INC., CUSTOMER  
DATA SECURITY BREACH LITIGATION**

MDL No. 3108

**SCHEDULE A**

Middle District of Tennessee

DIAGNOSTIC IMAGING ALLIANCE OF LOUISVILLE, P.S.C. v. CHANGE  
HEALTHCARE OPERATIONS, LLC, ET AL., C.A. No. 3:25-00470