UNITED STATES JUDICIAL PANEL
on
MULTIDISTRICT LITIGATION

IN RE: CHANGE HEALTHCARE, INC., CUSTOMER DATA SECURITY BREACH LITIGATION MDL No. 3108

TRANSFER ORDER

Before the Panel:[*] Plaintiffs in the two actions listed on Schedule A move under Panel Rule 7.1 to vacate the orders that conditionally transferred their actions to MDL No. 3108. The Change Healthcare defendants[1] oppose the motions.

After considering the argument of counsel, we find that these actions involve common questions of fact with the actions previously transferred to MDL No. 3108 and that transfer under 28 U.S.C. § 1407 will serve the convenience of the parties and witnesses and promote the just and efficient conduct of the litigation. The MDL actions arise 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 cash flow 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; Transfer Order, *id.* (J.P.M.L. Aug. 7, 2025), ECF No. 440.

Plaintiffs in the District of Maryland *CareFirst* action are a health insurance company and affiliated entities[2] that provide medical, dental, and vision insurance and related services to individuals in the greater Washington, D.C., Virginia, and Maryland area. CareFirst states that it

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[*] Judge Madeline Cox Arleo did not participate in the decision of this matter.

[1] Change Healthcare Technologies, LLC, Change Healthcare Resources LLC, Change Healthcare Technology Enabled Services, LLC, Change Healthcare Practice Management Solutions, Inc., Altegra Health Operating Company, LLC, Change Healthcare, Inc., Change Healthcare Solutions, LLC, and Envoy LLC.

[2] CareFirst, Inc., CareFirst of Maryland, Inc., CareFirst Management Company, LLC, Group Hospitalization and Medical Services, Inc., CareFirst BlueChoice, Inc., CFA, LLC, CareFirst Advantage GSNP, Inc., CareFirst Advantage PPO, Inc., CareFirst Advantage, Inc., and CareFirst Community Partners Inc. (collectively, CareFirst).

contracted with defendants for the provision of clearinghouse, risk adjustment, claims processing, and other related services. Carefirst alleges that the Change Healthcare data breach and the ensuing shutdown of Change's operations left it without access to the data required to process payments and submit claims. It states that it incurred costs by engaging other vendors to continue operations.

CareFirst raises a series of arguments opposing transfer. It argues that its action involves a unique contract and unique damages and that, to the extent its allegations overlap with the MDL, they relate to undisputed facts that are not complex. It further asserts that, because most of the evidence relevant to its case is in Maryland, transfer will be inconvenient. It contends that informal coordination would be preferable to transfer. Finally, it maintains that transfer would complicate MDL proceedings and drain judicial resources because, as an insurer, it does not fall within either of the established MDL tracks (for individual plaintiffs and healthcare provider plaintiffs) and its action will involve confidential and proprietary information requiring complex screening procedures.

We have previously transferred actions brought by health insurance companies to this MDL. *See* Transfer Order, MDL No. 3108 (J.P.M.L. June 2, 2025), ECF No. 412 (transferring *Blue Cross Blue Shield of Arizona* and *Capital District Physicians' Health Plan*); Transfer Order, *id.* (J.P.M.L. Aug. 7, 2025), ECF No. 440 (transferring *Premera Blue Cross*). As we stated in transferring the *Blue Cross Blue Shield* and *Capital District* actions:

> Like the healthcare provider plaintiffs in the MDL . . ., these insurer plaintiffs allege that, as a result of the Change Healthcare data breach and the ensuing lockdown of defendants' digital platform, their operations were disrupted and they incurred substantial losses. The actions will involve questions of fact that overlap extensively with the MDL, including how the cyberattack occurred, whether defendants failed to take adequate steps to prevent the attack, the impact of the attack on plaintiffs' operations, and the steps taken by defendants after the attack to restore access to data stored on its digital platform. In addition, plaintiffs assert a theory of liability—breach of their contracts with the Change defendants—that is asserted by many MDL plaintiffs. Transfer will allow for coordinated discovery on these common issues.

Transfer Order at 3-4, *id.*, ECF No. 412. CareFirst raises no arguments that justify a different outcome here.[3]

Plaintiff in the District of Connecticut *Connecticut Radiation* action is a healthcare provider that contracted with Change Healthcare for the provision of practice management services. It alleges that Change failed to perform contracted-for services both before and after the data breach. Plaintiff further contends that, when it retained a new service provider, defendant failed to provide data and support needed by that provider to submit insurance claims in a timely

[3] If its action is transferred, CareFirst requests that a third track be established in the MDL for health insurer plaintiffs. This request should be addressed to the transferee court, rather than to the Panel. *See, e.g., In re Walgreens Herbal Supplements Mktg. & Sales Pracs. Litig.*, 109 F. Supp. 3d 1373, 1376 (J.P.M.L. 2015) ("[W]e have long left the degree of coordination of involved actions to the sound discretion of the transferee judge.").

manner and carry out other necessary duties. Like numerous MDL plaintiffs, Connecticut Radiation also asserts that it accepted a TFAP loan from Change and that Change improperly demanded repayment of the loan by threatening to withhold payment by its affiliate, UnitedHealthcare, of plaintiff's claims for services rendered. Plaintiff's factual allegations thus overlap extensively with those of healthcare provider plaintiffs in the MDL.

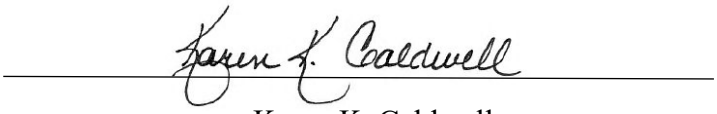
Plaintiff opposes transfer, arguing that its action will focus primarily on Change's failure to perform contracted-for services, which allegedly began months before the data breach occurred. It contends that its action will turn primarily on case-specific issues such as the terms of its individual contract and the extent of its damages. Plaintiff maintains that transfer would be inefficient and inconvenient because of non-overlapping discovery and unique legal claims, and because most of the relevant evidence is in or near Connecticut. Plaintiff further argues that the forum selection and choice-of-law provisions in its contract require that the action be brought in a Connecticut court and resolved under Connecticut law, making transfer improper.

Plaintiff's arguments against transfer are not persuasive. Although plaintiff contends that its action has little to do with the Change Healthcare data breach and focuses primarily on case-specific issues of fact, the cyberattack is prominently featured in its complaint and its damage claim is based on defendant's "fail[ure] to process the Plaintiff's payment claims from in or about February 2024"—when the cyberattack occurred—"to in or about August 2024," when it alleges defendant resumed processing its claims. *Conn. Radiation* Compl. ¶¶ 25-28, 32, 36. In addition, plaintiff's claims relating to Change's demands for repayment of its TFAP loan overlap with similar claims by numerous MDL plaintiffs. *Compare Conn. Radiation* Compl. ¶¶ 53-56 *with* Provider Plaintiffs' Master Compl. ¶¶ 10-11, 136-145, 499-514, No. 24-md-3108 (D. Minn. July 7, 2025), ECF No. 407. Plaintiffs' argument that transfer will pose inconveniences because parties, witnesses, and evidence are located outside Minnesota also is insufficient to defeat transfer. *See In re Aqueous Film-Forming Foams Prods. Liab. Litig.*, 669 F. Supp. 3d 1375, 1380 (J.P.M.L. 2023) (rejecting argument that "transfer will not promote convenience or efficiency because relevant witnesses and evidence are located outside" the transferee district; "We look to the overall convenience of the parties and witnesses, not just those of a single plaintiff or defendant in isolation.") (citation modified).

Finally, plaintiff's argument based on the choice of law and forum selection provisions in its contract is misguided. Plaintiff contends that a Connecticut court would be in the "best position" to resolve its claims under Connecticut law, but as we have stated, "[t]ransferee courts routinely interpret and apply the laws of multiple states." Transfer Order, MDL No. 3108, ECF No. 412, at 2 (citing *In re BPS Direct, LLC, and Cabela's, LLC, Wiretapping Litig.*, 677 F. Supp. 3d 1363, 1364–65 (J.P.M.L. 2023)). We have further made clear that "contractual forum selection clauses do not limit the Panel's authority . . . to transfer tag-along actions to an existing MDL." *In re Uber Techs., Inc., Passenger Sexual Assault Litig.*, 712 F. Supp. 3d 1394, 1400 (J.P.M.L. 2024) (citation modified).

IT IS THEREFORE ORDERED that the actions listed on Schedule A are transferred to the District of Minnesota and, with the consent of that court, assigned to the Honorable Donovan W. Frank for inclusion in the coordinated or consolidated pretrial proceedings.

PANEL ON MULTIDISTRICT LITIGATION



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SCHEDULE A

District of Connecticut

CONNECTICUT RADIATION ONCOLOGY, P.C. v. CHANGE HEALTHCARE TECHNOLOGY ENABLED SERVICES, LLC, C.A. No. 3:25−01331

District of Maryland

CAREFIRST, INC., ET AL. v. CHANGE HEALTHCARE TECHNOLOGIES, LLC, ET AL., C.A. No. 1:25−02399