

**AMERICAN ARBITRATION ASSOCIATION
Commercial Arbitration Panel**

Singleton Associates, P.A.,

Claimant/Counterclaim Respondent,

v.

United Healthcare of Texas, Inc.,

Respondent/Counterclaimant

Case Number: 01-22-0001-4956

Arbitrators

Hon. Daniel Naranjo

Edward "Trey" Bergman III

Marshall A. Bennett, Jr. (Chair)

FINAL AWARD

{¶1} We, the undersigned Arbitrators, having been designated in accordance with the arbitration agreement entered into between the above-named parties with an effective date of January 1, 1998, and having been duly sworn, and having duly heard the proofs and allegations of the Parties, hereby AWARD as follows:

THE PLEADINGS

{¶2} Singleton filed a demand for arbitration on April 8, 2022. Singleton's demand seeks all remedies available under law, equity, contract, tort, and AAA rules, to the full extent available, as deemed just and proper by the Arbitrators, for any causes of action available and proven at the hearing. Singleton's demand seeks to recover more than \$27,000,000. It also seeks the following remedies: damages, interest, declaratory relief, injunctive relief, penalties, attorneys' fees, costs, exemplary/punitive, etc.

{¶3} On May 26, 2022, United filed an answering statement asserting general and specific denials and affirmative defenses.

{¶4} On February 27, 2023, United filed an amended answering statement, once again asserting general and specific denials and affirmative defenses.

{¶5} On March 10, 2023, United filed a motion for leave to file counterclaims against Singleton. United's proposed counterclaims were attached to its motion. On April 2, 2023, the Panel granted United's motion and its counterclaims were received into the record. United counterclaims for breach of contract, fraud, fraudulent inducement, negligent misrepresentation, money had and received, unjust enrichment, violation of civil RICO, and conspiracy to violate civil RICO. United seeks an award of compensatory damages, equitable relief, declaratory relief, injunctive relief, treble damages, costs, reasonable attorney fees, pre-judgment and post-judgment interest, and any other relief in law or equity that the Panel deems just and proper. No specific dollar recovery amount was demanded.

{¶6} On April 24, 2023, Singleton filed the Claimants' Answering Statement And Counterclaim To United's Phase 3 Counterclaim. Singleton's pleading asserts a general denial of United's claims. It also asserts counterclaims for estoppel by law and quasi-estoppel precluding United's counterclaims, for permanent injunction, unjust enrichment, and a class action seeking injunctive relief for itself and the other members of the proposed class,

{¶7} On May 2, 2023, the Panel entered an order severing Singleton's class claim and referring it to the AAA for further proceedings in accordance with the Association's rules.

{¶8} On May 23, 2023, United filed its Answering Statement To Singleton Associates, P.A.'s Phase III Counterclaims, generally denying Singleton's claims and asserting affirmative defenses.

THE ARBITRATION AGREEMENT

{¶9} The governing contract entered into by the Parties includes the following arbitration agreement:

Plan Or Payor and Medical Group will work together in good faith to resolve any disputes about their business relationship. If the parties are unable to resolve the

dispute within 30 days following the date one party sent written notice of the dispute to the other party, and if Plan, Medical Group, or any Payor that has consented in writing to binding arbitration, wishes to pursue the dispute, it shall be submitted to binding arbitration in accordance with the rules of the American Arbitration Association. In no event may arbitration be initiated more than one year following the sending of written notice of the dispute. Any arbitration proceeding under this Agreement shall be conducted in Harris County, Texas. The arbitrators may construe or interpret but shall not vary or ignore the terms of this Agreement, shall have no authority to award any punitive or exemplary damages, and shall be bound by controlling law. If the dispute pertains to a matter which is generally administered by certain Plan procedures, such as a credentialing or quality improvement plan, the procedures set forth in that plan must be fully exhausted by Medical Group before Medical Group may invoke its right to arbitration under this section. The parties acknowledge that because this Agreement affects interstate commerce the Federal Arbitration Act applies.

Under this provision, the substantive law of the State of Texas is controlling, the Federal Arbitration Act applies, and the Panel has no authority to award punitive or exemplary damages

{¶10} The Panel determines that the arbitration agreement gives the Arbitrators full authority, power, and jurisdiction to hear and determine all of the Parties' claims, counterclaims, defenses, and requests for relief in this arbitration. The Parties have not raised an objection to the current membership of the Panel.

PHASES I AND II

{¶11} This arbitration has been conducted in three phases. During Phase I, the Panel heard testimony regarding which contract controlled the Parties' relationship. During Phase II, the Panel heard testimony regarding whether Singleton had been paid all amounts due under the applicable agreement and, if not, the amount of any underpayment. During Phase III, the Panel heard testimony regarding United's counterclaims and Singleton's counterclaims thereto. The Panel also received testimony regarding calculating the underpayment amount found in Phase II.

{¶12} Following the conclusion of Phase I, the Panel decided that the contract, effective January 1, 1998 ("the 1998 Agreement"), controlled the relationship of the Parties. Due to

changes in Panel membership, this decision was reconsidered and reaffirmed on two separate occasions.

{¶13} Following the conclusion of Phase II, the Panel decided that Singleton had not been paid the total amount due under the 1998 Agreement and that the underpayment totaled \$134,327,505.00. Due to changes in Panel membership, this decision was reconsidered, and the Panel asked the parties to present additional evidence during Phase III on the question of whether the amount of the underpayment should be calculated at 100% of billed charges or 80% of billed charges.

PHASE III

{¶14} The Panel conducted the final hearing in this matter, starting on Monday, May 13, 2024, in Houston, Texas. The arbitrators, Hon. Daniel Naranjo, Edward “Trey” Bergman, III, Esq., and Marshall A. Bennett, Jr., Esq., were present throughout the final hearing. Also present throughout the hearing were lead counsel for United Healthcare of Texas, Inc. (“United”), Munir Meghjee, Esq., and Jamie R. Kurtz, Esq., of the Robins Kaplan, LLP law firm, and their co-counsel, and lead counsel for Singleton Associates, P.A. (“Singleton”), Kevin Leyendecker, Esq., of the Ahmad Zavitsanos Mensing law firm, and Sara Brinkmann, Esq. of the King & Spalding LLP law firm, and their co-counsel.

{¶15} The Panel took nine full days of the testimony, adjourning on Thursday, May 23, 2024. After that, Panel members separately viewed several hours of admitted deposition testimony.

{¶16} The Parties submitted opening post-hearing briefs and replies thereto.

{¶17} By mutual agreement of the Parties, the closing arguments took place on Monday, July 29, 2024, in Minneapolis, Minnesota. Once again, all members of the Panel were present

and all parties appeared through counsel. At the conclusion of the closing arguments, the Parties confirmed that they did not wish to submit additional evidence or argument, and the Panel closed the final hearing.

{¶18} The Panel proceeded immediately to deliberate, and it now issues this Award.

FINDINGS

{¶19} At the original scheduling conference on December 29, 2022, the Parties agreed that they wished the Panel to issue a Standard Award and the Panel so ordered in its initial scheduling Orders #1 and #2. Such an award is the default form of award under Rule 48 of the Commercial Arbitration Rules. Thereafter United requested that the Panel issue a reasoned award. Singleton did not agree to this request. Pursuant to Rule 48, the Panel determines that a Standard form of award is appropriate in this matter.

{¶20} In the Phase I Decision entered on April 2, 2023, the Panel made the following finding: “The Panel finds the 1998 contract to be the operative agreement between the parties.” The Panel confirms this finding.

{¶21} In Phase II the Panel entered the Interim Award On Singleton’s Arbitration Demand on September 26, 2023. The Panel now vacates that Interim Award.

{¶22} The difference between the amount United paid on claims pursuant to the rates specified in the 2020 Agreement and the amount it would have paid pursuant to the rates specified in the 1998 Agreement is \$94,275,324.00. United’s underpayment of Singleton’s claims at the rate specified in the 2020 Agreement was a breach of the 1998 Agreement.

{¶23} Because of its breaches of the 1998 Agreement and its other acts and omissions, Singleton is not entitled to recover this difference and underpayment or any other relief against United. Because of its breaches of the 1998 Agreement and its other acts and omissions, United

is not entitled to any other relief against Singleton. The Panel determines that the evidence fully supports these decisions at law and in equity.

AWARD

{¶24} The Panel determines that Singleton is not entitled to any recovery against United.

{¶25} The Panel determines that United is not entitled to any recovery against Singleton.

{¶26} The Panel determines that both parties shall bear their own attorney fees and expenses.

{¶27} The Panel determines that the AAA fees and expenses totaling \$72,300.00 and Arbitrator fees and expenses totaling \$1,359,345.62 shall be borne as incurred.

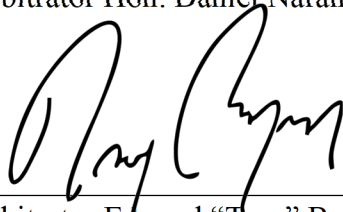
{¶28} The Panel denies all other claims, counterclaims, defenses, and requests for relief asserted by the Parties. All relief not granted in this Award is hereby denied.

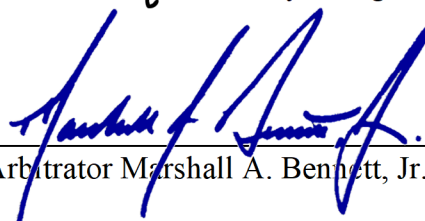
{¶29} This Final Award is issued in Houston, Texas.

{¶30} BY PANEL DECISION IT IS SO ORDERED.

Date: August 7, 2024


Arbitrator Hon. Daniel Naranjo


Arbitrator Edward "Trey" Bergman


Arbitrator Marshall A. Bennett, Jr., Chair