

Exhibit 1

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
CASE NO. _____
DIVISION _____

LIFEPOINT CORPORATE SERVICES GENERAL
PARTNERSHIP AND LAKE CUMBERLAND
REGIONAL HOSPITAL, LLC,

PETITIONERS

v.

PETITION TO VACATE ARBITRATION AWARD

WELLCARE HEALTH INSURANCE CO. OF KENTUCKY

RESPONDENT

SERVE: WellCare Insurance Co. of Kentucky
c/o C T Corporation System
306 W. Main Street
Suite 512
Frankfort, KY 40601

* * * * *

Through its counsel of record, and pursuant to the Federal Arbitration Act (“FAA”), 9 U.S.C. § 10, and alternatively the Kentucky Uniform Arbitration Act (“KUAA”), Ky. Rev. Stat. § 417.160, Petitioners LifePoint Corporate Services General Partnership and Lake Cumberland Regional Hospital, LLC respectfully move this Court to vacate the arbitration award issued in *LifePoint Corporate Services General Partnership v. Wellcare Health Insurance Co. of Kentucky*, AAA Case No. 01-20-0014-7102, on May 18, 2022. In support of this Petition, Petitioners state:

PARTIES, JURISDICTION, AND VENUE

1. Petitioner LifePoint Corporate Services General Partnership facilitates the operation of a national hospital system. It is a Delaware general partnership with its main offices located at 330 Seven Springs Way, Brentwood, Tennessee 37027.

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Presiding Judge: HON. PHILLIP J. SHEPHERD (648260)
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2. Petitioner Lake Cumberland Regional Hospital, LLC is hospital owned by LifePoint located at 305 Langdon Street, Somerset, Kentucky 42503. Lake Cumberland Regional Hospital is a Delaware limited liability company.

3. Respondent WellCare Health Insurance Co. of Kentucky is a managed care organization that provides managed care services for the Commonwealth of Kentucky Department of Medicaid Services. WellCare is a Kentucky corporation located at 13551 Triton Park Boulevard, Suite 1800, Louisville, Kentucky 40223.

4. This Court has jurisdiction over this action because it arises from a contractual dispute affecting interstate commerce and is therefore subject to and governed by the Federal Arbitration Act. *See, e.g., Ford v. E*TRADE Sec., Inc.*, No. 2003-CA-001480-MR, 2004 WL 2071411, at *2 (Ky. Ct. App. Sept. 17, 2004) (Minton, J.) (holding that Kentucky trial court had jurisdiction to consider petition to vacate arbitration award under the FAA because underlying contract affected interstate commerce). Moreover, the parties' Participating Provider Agreement (to be filed separately under seal) expressly states that federal law, if applicable, governs any matters arising out of or in connection with the Agreement. *See* Participating Provider Agreement § 9.1.

5. Alternatively, even if the FAA did not apply, jurisdiction would be proper under the KUAA. *See* Ky. Rev. Stat. §§ 417.160, 417.200.

6. Venue is proper in this Court because the parties' Participating Provider Agreement, as amended, specifies this Court as a proper venue for claims involving matters arising out of or in connection with the Agreement. *See* Participating Provider Agreement § 9.1. The parties also agreed to be subject to the jurisdiction and venue of this Court on any such claim. *Id.*

FACTUAL BACKGROUND

7. Several LifePoint-affiliated hospitals (“LifePoint Facilities”), including Lake Cumberland Regional Hospital, brought a civil action in Jefferson Circuit Court against WellCare challenging its failure to pay claims for emergency services pursuant to provider agreements between the LifePoint Facilities and WellCare. The action was styled *Bourbon Community Hospital, LLC, et al. v. WellCare Health Insurance Company of Illinois, Inc. d/b/a WellCare of Kentucky, Inc.*, Case No. 18-CI-00 1136 (Jefferson Cir. Ct.).

8. The LifePoint Facilities and WellCare executed a Settlement Agreement and Release resolving the claims. Because the Settlement Agreement is confidential, a true and correct copy will be provided separately under seal.

9. The Settlement Agreement materially relied upon certain information regarding governing rates to be provided by WellCare. Because Petitioners did not have access to this information, they had to rely upon WellCare providing accurate information.

10. WellCare provided incorrect information and this information was included in the Settlement Agreement.

11. Following execution of the Settlement Agreement, WellCare sent a letter to Lake Cumberland seeking to recover an overpayment to which it claimed it was entitled to pursuant to the Settlement Agreement. Because Respondent’s letter seeking recoupment from Lake Cumberland relies upon the confidential Settlement Agreement, a true and correct copy will be provided separately under seal.

12. In seeking recoupment, WellCare relied on the incorrect information it provided in the Settlement Agreement.

13. Petitioners responded to WellCare's notice of recoupment by correspondence dated January 13, 2020, and disputed the recoupment amount.

14. The Settlement Agreement requires disputes to be resolved by binding arbitration.

15. The Parties' Participating Provider Agreement, as amended, provides that the agreements shall be governed by, and construed in accordance with, the laws of the state in which the facility providing services is located, except where Federal law applies.

16. Petitioners initiated arbitration in September of 2020, captioned *LifePoint Corporate Services General Partnership v. Wellcare Health Insurance Co. of Kentucky*, AAA Case No. 01-20-0014-7102. Because the arbitration was confidential, true and correct copies of the arbitration documents referenced herein will be provided separately under seal.

17. Petitioners asserted that the Parties agreed to certain terms in the Settlement Agreement and WellCare memorialized incorrect information either by mistake or fraud and WellCare cannot now rely on this incorrect information to seek recoupment.

18. Both Petitioners and WellCare moved for summary judgment.

19. In short, Petitioners argued that the information WellCare provided was incorrect based on a mutual mistake and that the Settlement Agreement should be reformed on that ground. Petitioners also alternatively argued that WellCare fraudulently misrepresented information memorialized in the Settlement Agreement, Petitioners reasonably relied on that information, and the Settlement Agreement should be reformed to reflect the Parties' agreement.

20. In further support of these arguments, Petitioners cited to binding Kentucky law permitting reformation of contracts based upon mutual mistake or unilateral mistake involving fraudulent or intentional misrepresentation. Petitioners also submitted evidence in the form of deposition testimony and affidavits to support fraud and mistake.

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