

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED HEALTHCARE SERVICES,
INC., *et al.*,

Plaintiffs,

v.

JEFFREY CORZINE,

Defendant.

Case No. 2:21-cv-319

JUDGE EDMUND A. SARGUS, JR.

Magistrate Judge Kimberly A. Jolson

OPINION AND ORDER

This matter is before the Court on Plaintiffs’ Motion for a Preliminary Injunction. (ECF No. 2.) Defendant Jeffrey Corzine submitted a Response in Opposition (ECF No. 25), and Plaintiffs replied (ECF No. 31). The Court held an evidentiary hearing on Plaintiffs’ motion on February 19 and February 22, 2021. The parties submitted post-hearing briefing on the testimony and have each responded to the other side’s briefing. (ECF Nos. 32–35.) For the reasons set forth below, Plaintiffs’ Motion for a Preliminary Injunction is **GRANTED IN PART**.

I. FINDINGS OF FACT

Plaintiffs United HealthCare Services, Inc. and UnitedHealth Group, Inc. (collectively, “United”) initiated this action against Defendant Jeffrey Corzine seeking enforcement of non-competition and non-solicitation covenants to which Corzine agreed while employed at United.

UnitedHealth Group, a Delaware corporation based in Minnesota, is a national diversified health care company offering health care coverage and benefits through a family of affiliate companies. (Roaldi Decl. ¶ 3.) United HealthCare Services, one of those affiliate companies, is UnitedHealth Group’s health care benefits business. (*Id.*) United HealthCare Services offers

commercial health insurance as well as insurance for Medicaid and Medicare beneficiaries. (*Id.* ¶ 4.) The UnitedHealthcare Community Plan of Ohio, Inc. (“Ohio plan”) operates under a contract with the Ohio Department of Medicaid (“ODM”) as a benefits plan for Ohio Medicaid beneficiaries—known as a “managed care organization” or “managed care plan.” United obtained this contract through a competitive procurement in 2012.

Defendant Jeffrey Corzine began employment with United’s Ohio plan in 2008. From 2014 to 2019, Corzine worked in a strategic marketing role for the Ohio plan. United terminated Corzine in October of 2019 after a national restructuring. Corzine was subsequently hired by Humana, Inc. in February of 2020. Like United, Humana is large health care company that offers health care benefits, among other services. At the time Humana hired Corzine, Humana operated managed care plans under Medicaid contracts with other states, but not Ohio. However, Humana was actively preparing to enter the Ohio Medicaid market in anticipation of ODM re-procuring the State’s Medicaid contract. In the fall of 2020, ODM initiated the procurement by issuing a Request for Applications, the standard process used to procure a state Medicaid contract. United and Humana, along with nine other managed care organizations, both submitted applications to obtain a contract with ODM.

This dispute began when United learned in January of 2021 that Corzine was involved in Humana’s application to ODM. United alleges that Corzine’s activity at Humana breached the non-competition and non-solicitation covenants contained in Stock Option Awards and Restricted Stock Unit Awards that Corzine signed while at United.

A. The Ohio Medicaid Business and the UnitedHealthcare Community Plan

This case requires background knowledge of the Ohio Medicaid market. Each state administers Medicaid differently. Ohio contracts with private health insurance companies to

provide benefits to Medicaid members through a competitive procurement process. To initiate a competitive procurement, the State issues a Request for Applications (“RFA”). Companies seeking to provide managed care services submit detailed applications per the prompts listed in the RFA. The State then selects organizations from the pool of applicants. At a basic level, ODM contracts with the selected managed care plans and those plans cover the medical benefits, “including behavioral health services and prescription drugs,” for the individuals enrolled in the plan. (Ex. 159.) The State pays the managed care organizations, and the organizations pay the claims submitted by the Medicaid members enrolled in the plan. Over 3 million Ohioans are covered under the Ohio Medicaid program.

Ohio last issued an RFA in 2012. The State selected United and four other plans to provide benefits under the State Medicaid contract beginning in 2013. According to Michael Roaldi, the CEO of United’s Ohio plan, the State selects multiple providers to encourage competition and give Medicaid members choice between competing plans. When a person becomes eligible for Medicaid, the person has an option to enroll in a healthcare plan of their choice or to do nothing. If the person does nothing, ODM assigns that person to one of the competing plans based on a computer algorithm. The computer algorithm accounts for the performance metrics of each plan as evaluated by ODM; better performance can result in a higher number of Medicaid members assigned to a plan. ODM also divides the State into three regions. Based on performance, some plans are given the choice to service only particular regions, while other plans are selected to service all regions. Under the current Medicaid contract, roughly half of Ohio’s Medicaid members are served by CareSource, a non-profit. That leaves the remaining 1.5 million Medicaid beneficiaries to the other four plans.

United’s current Ohio plan provides coverage to roughly 350,000 Ohio Medicaid

beneficiaries in all three regions. The plan employs a CEO and other executive leadership, nurses and community health workers, quality staff, and operations staff. Roaldi testified that the plan has over 300 employees. The plan considers its business to have two distinct customers. First is the State of Ohio; the State “hires” the plan and dictates how and where it operates. Second is the Medicaid member the plan insures. The RFA process is the only way for a company to enter the Ohio Medicaid market.

B. The 2020 Ohio RFA

In January of 2019, Governor Michael DeWine announced that the State intended to re-procure Ohio’s Medicaid contract. Prior to Governor DeWine’s announcement, United had held occasional strategy meetings to stay prepared in case a new RFA was released. According to Roaldi, it is vital for a managed care plan to stay prepared for a new procurement because the State has discretion end the current contract and request applications for a new Medicaid contract at any time. After Governor DeWine’s announcement, the company moved into the “active solutioning phase” to prepare for the RFA. United created a “core group” of employees from the Ohio plan and from United’s national Medicaid team. The core group held daily meetings to strategize for the RFA’s release. The questions and criteria for the RFA are unknown until the RFA is released. But in the 18 months leading up to the 2020 RFA’s release, ODM made public announcements indicating its priorities for the upcoming procurement. United’s executive leaders strategized for the upcoming RFA based on these statements and on the plan’s experiences operating under the current contract since 2013.

ODM issued the 2020 RFA on September 30, 2020. (Ex. 159.) Written applications were due on November 20, 2020. (*Id.*) The RFA asked applicants to respond to questions in the following topic areas: (1) the organization’s qualifications and experience; (2) population health;

(3) benefits and service delivery; and (4) operational excellence. Applications are typically hundreds of pages long and are highly confidential until the awards are announced. An Evaluation Committee grades the applications. Each topic area has a maximum number of points available, and a total of 1000 points are available on the written application. In addition to the written response, the application includes an oral presentation for 100 additional points on the grading rubric, for a total of 1100 available points. (*Id.*) The 2020 RFA allocates a significant amount of points to the “population health” topic, something not mentioned at all in the 2012 RFA. (Ex. 159.) ODM describes “population health” as an approach to Medicaid that is “designed to address health inequities and disparities and achieve optimal outcomes for the holistic well-being of individuals receiving Medicaid.” (*Id.*) An important component of population health is the “social determinants of health,” what ODM describes as the “complex, integrated, and overlapping social and economic risk factors that impact health outcomes and health statuses.” (*Id.*)

C. Corzine’s Role at United and his Termination in the Fall of 2019

Defendant Jeffrey Corzine has worked in the Ohio Medicaid industry since 1985. Prior to joining the UnitedHealthcare Community Plan of Ohio in 2008, Corzine worked for many years as a regulator for ODM and ODM’s precursor in the Ohio Department of Job and Family Services. In 2008, Corzine received an offer from Unison Health, which had just been acquired by United. Unison Health had a Medicaid plan in Ohio, which became United’s plan after the acquisition. Corzine’s first role at United was the Chief Operating Officer of United’s Ohio plan. After the 2012 RFA process and the issuance of a new Medicaid contract in 2013, Corzine transitioned into a marketing role as Vice President for Strategic Account Development, in which he worked until his termination in 2019.

In his strategic account development role, Corzine focused primarily on developing and

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