

IN THE CIRCUIT COURT OF RANKIN COUNTY, MISSISSIPPI

BLUE CROSS & BLUE SHIELD OF MISSISSIPPI,
A MUTUAL INSURANCE COMPANY

PLAINTIFF

VS.

CIVIL ACTION NO. 2022-1900

DR. LOUANN WOODWARD; DR. ALAN JONES;
MARC ROLPH; JOHN AND JANE DOE EMPLOYEES
OF THE UNIVERSITY OF
MISSISSIPPI MEDICAL CENTER 1 – 10



DEFENDANTS

COMPLAINT

INTRODUCTORY STATEMENT

Blue Cross & Blue Shield of Mississippi, A Mutual Insurance Company (“Blue Cross”), brings this action to recover for, and obtain an injunction against, the ongoing conspiratorial efforts of employees of the University of Mississippi Medical Center (“UMMC”) to defame Blue Cross.¹ The above-named and presently unidentified employees (“Defendants”) of UMMC are responsible for initiating and continuing a far-reaching public relations campaign designed to disseminate false and defamatory statements about Blue Cross to the public. The central contention in Defendants’ campaign is that Blue Cross terminated its contract with UMMC and thus “forced,” “dropped,” and “excluded” UMMC from Blue Cross’ healthcare provider network, which prevents Blue Cross Members from receiving medical care from UMMC. Defendants’ public statements are demonstrably false: *UMMC voluntarily terminated its contracts with Blue Cross*. And it is UMMC, not Blue Cross, who is denying Blue Cross Members medical treatment at UMMC. Defendants’ untrue statements are defamatory and were designed to cause, and have caused, damage to Blue Cross’ reputation and business.

¹ UMMC is *not* a defendant in this action because, as a political subdivision of the State, Mississippi law grants it immunity for defamation committed by its employees.

PARTIES

1. Plaintiff Blue Cross is a mutual insurance company organized under the laws of Mississippi with its principal place of business in Flowood, Rankin County, Mississippi.

2. Defendant LouAnn Woodward, M.D. is the Vice Chancellor for Health Affairs and Dean of the School of Medicine at UMMC. Because Blue Cross alleges Dr. Woodward has committed the torts of defamation and civil conspiracy with actual malice, Dr. Woodward is being sued in her individual capacity and not in her official capacity as an employee of UMMC. She may be found for purposes of service of process at 2500 North State Street, Jackson, Mississippi 39216.

3. Defendant Alan Jones, M.D. is the Associate Vice Chancellor for Clinical Affairs at UMMC. Because Blue Cross alleges Dr. Jones has committed the torts of defamation and civil conspiracy with actual malice, Dr. Jones is being sued in his individual capacity and not in his official capacity as an employee of UMMC. He may be found for purposes of service of process at 2500 North State Street, Jackson, Mississippi 39216.

4. Defendant Marc Rolph is the Executive Director of Communications and Marketing at UMMC. Because Blue Cross alleges Rolph has committed the torts of defamation and civil conspiracy with actual malice, Rolph is being sued in his individual capacity and not in his official capacity as an employee of UMMC. He may be found for purposes of service of process at 2500 North State Street, Jackson, Mississippi 39216.

5. Defendants John and Jane Doe Employees of UMMC 1 – 10 are presently unidentified and unknown employees of UMMC who are responsible for the statements regarding Blue Cross discussed herein. John and Jane Does 1 – 10 are fictitious parties under Mississippi Rule of Civil Procedure 9(h), and Blue Cross reserves the right to amend this and other pleadings and proceedings in this action by substituting the true names of such Defendants in due course. Because Blue Cross alleges John and Jane Does 1 – 10 have committed the torts of defamation

and civil conspiracy with actual malice, John and Jane Does 1 – 10 are being sued in their individual capacities and not in their official capacities as employees of UMMC.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction pursuant to Miss. Code Ann. § 9-7-81.

7. Venue is proper in this Court pursuant to Miss. Code Ann. § 11-11-3(1)(a)(i) because substantial events that caused Blue Cross' injury occurred in Rankin County. Defendants aimed their defamatory statements, some of which were billboard advertisements in Rankin County, at Blue Cross knowing that Blue Cross maintains its principal office in Rankin County. Defendants' statements were intended to injure Blue Cross' reputation and business, and Blue Cross would suffer the most reputational and commercial harm in Rankin County, the County where Blue Cross maintains its principal place of business, where it conducts a majority of its business activities, where many of its employees reside, and where a substantial number of people with whom it has commercial relationships reside.

FACTS

8. Blue Cross is one of Mississippi's leading healthcare insurers, having provided and managed affordable health and wellness benefit plans for Mississippians for more than 75 years. Blue Cross insures or administers health and wellness benefit plans covering Mississippians who are individual policy holders and employees of employers with group benefit plans (collectively "Members").

9. One of the ways Blue Cross fulfills its mission of providing Members with affordable premiums while facilitating Members' health and wellness is by entering into contracts with healthcare providers whereby those providers are included in Blue Cross' healthcare provider "Network." Providers who participate in Blue Cross' Network ("Network providers") agree to be reimbursed by Blue Cross at fair contract prices for covered services. Blue Cross' Network

provider contracts are also quality- and outcome-focused, concentrated on working with Network providers to increase quality and improve healthcare outcomes while managing costs so as to retain affordable premiums for Blue Cross Members. Another benefit of being a Network provider is access to a stable patient base and timely direct reimbursement.

10. UMMC has been a Blue Cross Network provider for decades, and the parties have operated under negotiated network agreements providing for agreed upon reimbursement rates for medical services provided to Blue Cross Members. In 2018, however, UMMC terminated its Hospital Network Agreements with Blue Cross, contending it should be reimbursed at rates substantially higher than comparable Network providers throughout the State. Blue Cross and UMMC ultimately reached an agreement on an appropriate reimbursement model for UMMC's medical services, which agreement was set to expire in July 2021. At UMMC's request, Blue Cross agreed to extend the term of the Agreements, including a July 2021 extension through December 2021 and a December 2021 extension through March 2022.

11. In 2021 and early 2022, Blue Cross and UMMC attempted to negotiate new Network agreements. During those negotiations, UMMC demanded significant, unrealistic payment increases across all hospital service areas, contending that it and its physicians, nurse practitioners, and other allied providers should be paid at rates substantially higher than other Network hospitals and healthcare providers throughout the State. Blue Cross proposed reimbursement increases for certain services and offered additional reimbursement through Blue Cross' quality program designed to improve patient outcomes. UMMC refused to accept the proposed reimbursement increases and refused to participate in the quality program offering additional increases tied to improved quality measures. Instead, UMMC maintained it is entitled to a 30% overall increase year one with escalating increases thereafter annually, which would include a 50% increase for certain services.

12. In a January 28, 2022 letter, Dr. LouAnn Woodward, on behalf of UMMC, gave notice to Blue Cross that UMMC was terminating all of UMMC's Professional Provider Network Agreements between Blue Cross and UMMC's physicians, nurse practitioners, and other allied providers effective March 31, 2022, and that UMMC would allow its three Network Hospital Agreements with Blue Cross (for UMMC in Jackson, UMMC-Grenada and UMMC- Holmes County) to expire on March 31, 2022. *See* Ex. 1, January 28 Letter. Dr. Woodward's letter specifically states, "This letter serves as our notice of termination, effective 12pm (midnight) on March 31, 2022[,]" and "[t]he effective termination date of March 31, 2022, will coincide with the pending expiration" of the other agreements. *Id.*

13. Shortly after Dr. Woodward sent her January 28 termination letter, she and the other Defendants began coordinated efforts to publish an extensive public relations campaign designed to spread false and defamatory statements about Blue Cross. And the Defendants initiated their campaign even before the contract periods ended, stating:

- "The current contract ends March 31, 2022 and unless Blue Cross comes to the table with a fair contract, they **may force their members to pay more for their care at UMMC or to select a provider outside of UMMC** starting April 1." (Dr. Woodward's March 4, 2022 newsletter) (Ex. 2, Compilation of Statements, at 43) (emphasis added);
- "The current contract ends March 31, and **we anticipate Blue Cross will force us out of their network** effective April 1 if a new agreement isn't reached." (Dr. Woodward's March 18, 2022 newsletter) (*Id.* at 53) (emphasis added);
- "If we are unable to reach a new agreement ... , all **University of Mississippi Medical Center hospitals, facilities and physicians and other providers will be forced out of their network**. ... If we do not reach an agreement with Blue Cross by March 31, 2022, **we will be forced out-of-network with commercial Blue Cross plans, resulting in higher out-of-pocket costs for patients.**" (letter to patients signed by Dr. Woodward and Dr. Jones) (*Id.* at 52) (emphasis added);
- "**Blue Cross & Blue Shield of Mississippi is expected to force University of Mississippi Medical Center hospitals, clinics, physicians and other providers out of its commercial insurance network**, effective April 1, 2022, as part of the insurance giant's refusal to agree to a new contract with the state's only academic medical center and safety net hospital." (March 28, 2022 press release and social media posts on UMMC accounts) (*Id.* at 55, 59, 66, 67) (emphasis added);

- “Unless a fair agreement is reached in time, **Blue Cross is expected to force UMMC out of its network** effective April 1 – negatively impacting access to UMMC’s essential services and physicians.” (March 28, 2022 press release) (*Id.* at 55) (emphasis added);
- “Blue Cross commercial health insurance members are encouraged to call the Blue Cross customer service number on the back of their membership card to voice concern over **Blue Cross’ plan to eliminate UMMC doctors and hospitals from their network**” (March 28, 2022 press release) (*Id.* at 57) (emphasis added);
- “Dr. Alan Jones, UMMC associate vice chancellor for clinical affairs and an emergency medicine physician, spoke to the media today about the potential that **Blue Cross & Blue Shield of Mississippi could drop UMMC facilities, doctors and other providers from their network** for commercial Blue Cross plans, effective April 1.” (March 29, 2022 social media posts on UMMC accounts) (*Id.* at 68, 73) (emphasis added); and
- “[I]f you need a bone-marrow transplant, we have the only bone marrow transplant in the state. Well, **those patients wouldn’t be able to access that program**. So it would, they would have to call Blue Cross to find out where Blue Cross wants them to go to get that treatment.” (March 29, 2022 statement by Dr. Jones) (*Id.* at 85) (emphasis added).

14. Defendants’ false media campaign continued after UMMC’s termination of the Professional Provider Network Agreements and the expiration of the Network Hospital Agreements. Indeed, Defendants’ false and defamatory statements published on the internet, in interviews, on billboards, on social media posts, in correspondence with Blue Cross Members, and in other public statements have been widespread and continuous up to the date of commencing this civil action.

15. In addition to the statements listed above, Defendants are responsible for the false and defamatory statements that:

- “We are disappointed to report that **Blue Cross made the decision to force UMMC out of its network and allow our commercial health plan to expire.**” (UMMC’s website) (Ex. 2, Compilation of Statements, at 114) (emphasis added);
- “**Blue Cross forced UMMC out of their commercial health plan provider network** on April 1, 2022...” (UMMC’s website) (*Id.* at 1) (emphasis added);
- “**Blue Cross forced us out of network** on April 1, 2022...” (*Id.* at 8) (emphasis added);
- “Effective April 1, 2022, **Blue Cross decided to force UMMC out of its network**, potentially subjecting patients like you and your family to higher out-of-pocket costs when seeking care through UMMC providers and facilities.” (UMMC’s website) (*Id.* at 25) (emphasis added);

- “Effective April 1, 2022, **Blue Cross decided to force UMMC out of its network**, potentially subjecting patients to higher out-of-pocket costs when seeking care at UMMC.” (UMMC’s website) (*Id.* at 28) (emphasis added);
- “We understand this situation is stressful. **We are here to help you through this period of disruption brought forth by Blue Cross’s decision to drop your trusted providers.**” (UMMC’s website) (*Id.* at 11) (emphasis added);
- “We understand this situation is stressful. **We are here to help you through this period of disruption caused by Blue Cross.**” (April 1, 2022 correspondence to patients signed by Dr. Jones) (*Id.* at 112-113) (emphasis added);
- “... since **Blue Cross has removed UMMC from its network**, it is important for you to know that you may have to agree to accept full responsibility for your bill...” (UMMC’s website) (*Id.* at 13) (emphasis added);
- “By refusing to discuss a fair contract, **Blue Cross has forced its members to pay more for their care at UMMC or select a provider outside of UMMC.**” (Dr. Woodward’s April 1, 2022 newsletter) (*Id.* at 94) (emphasis added);
- “The University of Mississippi Medical Center’s contract with Blue Cross & Blue Shield of Mississippi ended at midnight March 31, meaning **the state’s largest insurer has forced from its network all of UMMC’s hospitals, clinics, physicians and other providers statewide.**” (April 1, 2022 press release) (*Id.* at 91) (emphasis added);
- “As of 12:00 a.m. today, **UMMC facilities, physicians and other providers were removed from the Blue Cross & Blue Shield network**” (April 1, 2022 posts on social media accounts) (*Id.* at 96, 104, 106) (emphasis added);
- “On April 1, 2022, **Blue Cross Blue Shield forced UMMC hospitals, clinics, and providers out of network.**” (sign included in April 1, 2022 tweet by UMMC communications director Marc Rolph) (*Id.* at 109-110) (emphasis added);
- “We are disappointed that **Blue Cross is denying you uninterrupted access to our services.**” (June 15, 2022 letter to patients signed by Dr. Jones) (*Id.* at 132) (emphasis added);
- “**For accuracy: BCBSMS removed us from their network...**” (July 14, 2022 tweet by UMMC Twitter account) (*Id.* at 133) (emphasis added);
- “Blue Cross isn’t here for her [him] [them]. Because **they now exclude us from their network**” (billboards, social media ads) (*Id.* at 31-33, 127, 130-131) (emphasis added);
- “**Blue Cross excluded us from their network.** Which means you may have [to] go elsewhere, or pay more for Mississippi’s most advanced care” (social media ad) (*Id.* at 127, 130-131) (emphasis added);
- “**Blue Cross excluded us from their network.** So seeing a doctor you know and trust could cost you more” (social media ads) (*Id.* at 130-131) (emphasis added);
- “**Blue Cross excluded us from their network.** So seeing a doctor you and your family knows and trusts could cost you more.” (social media ads) (*Id.* at 130-131) (emphasis added);

- “According to UMMC, Blue Cross has essentially offered no increases in reimbursement rates since at least 2014. After an overall decrease between 2014 and 2017, the hospital negotiated a 1% increase in 2018, according to Marc Rolph, executive director of communications and marketing at the hospital.” (Mississippi Today article) (*Id.* at 138).

16. Each of the Defendants disseminated to the public one or more of the above statements and conspired among themselves and with other as yet unidentified employees of UMMC to create, approve, and disseminate these and additional defamatory statements to the public.

17. These statements were demonstrably and knowingly false when made by the Defendants, as they include representations that Blue Cross terminated its agreements with UMMC and its physicians; that Blue Cross “excluded,” “eliminated,” “removed” or “forced” UMMC and its physicians from the Blue Cross Network; and that Blue Cross is denying its Members access to healthcare at UMMC. As referenced above, well before these statements were published, Dr. Woodward notified Blue Cross of UMMC’s unilateral termination of its agreements with Blue Cross. *See* Ex. 1, January 28 Letter.

18. These statements were designed to damage Blue Cross’ reputation and to coerce Blue Cross into entering into new UMMC Agreements to benefit UMMC and the Defendants’ personal positions with UMMC. Incorporating and expanding upon their false statements that Blue Cross “excluded,” “eliminated,” “removed,” or “forced” UMMC and its physicians from the Blue Cross Network, Defendants have created advertisements stating “Blue Cross could cause you to drive hours to another children’s hospital” and “Blue Cross could make you pay more to see the doctor you know and trust.” *See* Ex. 2, Compilation of Statements. Other advertisements contain photographs of individuals with the words “Blue Cross isn’t here for her. Because they now exclude us from their network.” *Id.* These expensive billboards and advertisements falsely state

that Blue Cross excluded UMMC from its Network, when it was UMMC who voluntarily left the Blue Cross Network. The following is an example of these defamatory advertisements:



19. Defendant Dr. Woodward has repeatedly made false and defamatory statements regarding Blue Cross, including by making and/or repeating statements listed above. *See* Ex. 2, Compilation of Statements. Among other things, Dr. Woodward has stated that Blue Cross “forced” UMMC out of its Network and that Blue Cross “may force” and “has forced its members to pay more for their care at UMMC or select a provider outside of UMMC.” *Id.* at 43, 94. And Dr. Woodward informed the public on March 18, 2022—*after she wrote the letter terminating UMMC’s Network contracts*—that “we anticipate Blue Cross will force us out of their network effective April 1.” *Id.* at 53.

20. Defendant Dr. Jones has repeatedly made false and defamatory statements regarding Blue Cross, including by making and/or repeating statements listed above. *See* Ex. 2,

Compilation of Statements. For instance, Dr. Jones stated to the media that Blue Cross Members needing bone marrow transplants would not be able to access UMMC's programs. *Id.* at 85. Restriction to access has been a result of UMMC's actions.

21. Defendant Rolph is identified as UMMC's "media contact" in publications making false and defamatory statements about Blue Cross. *See, e.g.,* Ex. 2, Compilation of Statements at 55, 91. Among other things, these statements include a March 28, 2022 publication (again, after UMMC had already informed Blue Cross it was terminating and/or allowing the expiration of the Network contracts) that Blue Cross "is expected to force [UMMC] hospitals, clinics, physicians and other providers out of its commercial insurance network, effective April 1, 2022...." *Id.* at 55. The publication continued that "Blue Cross is expected to force UMMC out of its network effective April 1 – negatively impacting access to UMMC's essential services and physicians." *Id.* After April 1, 2022, the publications for which Rolph and the other Defendants were responsible stated that Blue Cross "has forced from its network all of UMMC's hospitals, clinics, physicians and other providers statewide." *Id.* at 91.

22. Defendants are responsible for correspondence with Blue Cross Members falsely stating, among other things, that all UMMC "hospitals, facilities and physicians and other providers will be forced out of [Blue Cross's] network ... resulting in higher out-of-pocket costs for patients." *See* Ex. 2, Compilation of Statements, at 52. Correspondence also stated that Blue Cross has "potentially disrupted [its Members'] access to UMMC" and that Blue Cross has caused its Members "stress" and "disruption." *Id.* at 111-112. Defendants' correspondence further stated that "Blue Cross is denying [Members] uninterrupted access to [UMMC] services." *Id.* at 132.

23. Defendants also published false statements focused on Blue Cross Members who are transplant patients for the purpose of harming Blue Cross' reputation. On July 14, 2022, the following false public statement was made via Twitter:



The University of Mississippi Medical Center @UMMCnews
Discovered via keyword "BCBS of MS" OR "BCBS of Mississippi" OR "BCBSMS"

10k+

7 minutes ago

@Ajzions For accuracy: BCBSMS removed us from their network and we do not remove patients from transplants lists when they experience a change in insurance status.
@KRRoyals can help you out with the details.

See Ex. 2, Compilation of Statements, at 133.

24. As noted above, the public statement that “BCBSMS removed [UMMC] from their network” is false, as is the statement that UMMC “do[es] not remove patients from transplants (sic) lists when they experience a change in insurance status.” In the context of the tweet, the statement was intended to publicly represent that any problems Blue Cross Members had obtaining a transplant resulted from Blue Cross’ “remov[al]” of UMMC from the Network. To the contrary, it has been UMMC who unilaterally canceled Blue Cross Members’ scheduled transplants or suspended or refused their evaluations for transplants, thus in essence removing these patients from its transplant lists.

25. Defendants have also made statements to the public that Blue Cross has not increased its reimbursement rates to UMMC in five years. See Ex. 2, Compilation of Statements, at 138. These statements are false. In fact, Blue Cross’ reimbursement rates for UMMC have increased every year since 2018, in accordance with the agreements UMMC signed in 2018, until July 2021 when UMMC requested the Agreements be extended.

26. Defendants are responsible for statements that “Blue Cross is denying you uninterrupted access to [UMMC] services.” See Ex. 2, Compilation of Statements, at 132. Again, contrary to these false statements, it is UMMC, not Blue Cross, who has denied Blue Cross Members access to UMMC services. Blue Cross has informed its Members they can continue to receive treatment at UMMC for which Blue Cross will reimburse UMMC at Network level Benefits. UMMC, however, has refused to treat certain Blue Cross Members at Network level

Benefits or at all while continuing to see other Blue Cross Members at Network level Benefits. UMMC has also deprived patients of the option to obtain healthcare by failing and/or refusing to provide Blue Cross Members estimates of expected facility and provider costs as required by federal law. Under the No Surprises Act, when an uninsured or self-pay patient seeks care, UMMC is required to inform the patient (both orally and in writing) of the right to obtain a good faith estimate of charges. 45 CFR § 149.610(b)(1)(iii). This obligation arises immediately upon UMMC suspending, delaying, or cancelling treatment on the basis that a person is uninsured or self-pay (which UMMC now apparently considers Blue Cross Members to be). In addition, if a Blue Cross Member seeks unscheduled non-emergency treatment, UMMC is required to provide a good faith estimate upon request if it considers the Member to be uninsured or self-pay. It is UMMC preventing patients from receiving healthcare.

27. Also contrary to Defendants' statements that "Blue Cross is denying you uninterrupted access to [UMMC] services," it is not Blue Cross who is canceling surgeries and appointments. To the contrary, UMMC has unilaterally removed or inactivated a number of transplant patients from its "transplants list." One patient's transplant which was previously scheduled to occur on a date during the ninety-day continuity of care period was canceled by UMMC. Indeed, since the date of the tweet in paragraph 23, UMMC unilaterally cancelled the scheduled transplant procedure for a young pediatric patient whom UMMC has been treating, and simply advised the parents to go to an out-of-state facility. These two Members ultimately received their needed care but only after Blue Cross vigorously challenged UMMC's actions. Other similar instances have occurred.

28. In addition to Defendants' statements that Blue Cross is denying access to healthcare being false, UMMC's actions are contrary to its intended purpose as a publicly funded hospital which, by statute, "shall be utilized to serve the people of Mississippi generally." *See*

Miss. Code Ann. § 37-115-31. In fact, UMMC's website sets forth the following guaranteed patient rights:

Receive considerate, respectful delivery of care regardless of age, race, color, national origin, culture, ethnicity, language, socioeconomic status, religion, physical or mental disability, sex, sexual orientation, gender identity or expression, or manner of payment. https://www.umm.edu/Healthcare/Patients-and-Visitors/Patient_Rights.html

29. Each of the above-referenced statements were and remain false because UMMC voluntarily terminated its contracts with Blue Cross and excluded itself from the Blue Cross Network. The false statements were and remain defamatory because they are clearly directed toward Blue Cross and designed to injure Blue Cross' reputation; expose Blue Cross to public hatred, contempt or ridicule; degrade Blue Cross in society; lessen Blue Cross in public esteem; and lower Blue Cross in the confidence of the community. That the false statements were defamatory is clear and unmistakable from the words themselves.

30. Defendants published the statements to third parties, or directed others to publish the statements to third parties, and had no privilege to make such false and defamatory statements about Blue Cross. Instead, Defendants published the false statements with actual malice, i.e., with knowledge of their falsity or with a reckless disregard as to their falsity.

31. Defendants' statements falsely suggest conduct of Blue Cross incompatible with proper conduct in the healthcare benefits industry. The statements were designed to, did, continue to, and are presumed to have injured Blue Cross' reputation and business. The continued publication of Defendants' statements has caused and will continue to cause irreparable harm to Blue Cross' reputation and business.

32. Defendants' false statements about Blue Cross were published pursuant to an agreement among the Defendants to achieve the purpose of defaming Blue Cross. That such an agreement existed and continues to exist is shown by, among other things, the consistency of the

repeated false and defamatory statements made by all Defendants and at their direction. The purpose of the agreement—to, among other things, subject Blue Cross to public hatred and ridicule—is unlawful and was achieved by the unlawful means of spreading untruths about Blue Cross. Each of the above-referenced statements made by Defendants or at their direction were overt acts in furtherance of Defendants’ agreement, and Blue Cross has suffered damages to its reputation and business as a result.

33. Each of the Defendants is individually, and jointly and severally, liable for all damages proximately caused by the defamatory statements and the Defendants’ conspiracy to defame Blue Cross. Although Mississippi law grants *UMMC* immunity for defamation committed by its employees, neither sovereign immunity nor the Mississippi Tort Claims Act immunizes *UMMC’s employees* from individual liability for defamation or participation in an unlawful conspiracy. Each Defendant is also jointly and severally liable because each consciously and deliberately pursued a common plan or design to commit a tortious act or actively took part in it.

34. The harm to Blue Cross’ reputation and business caused by Defendants’ false, defamatory, and malicious public statements cannot be overstated. As one of the State’s premier insurers and administrators of health and wellness benefit plans, Blue Cross Members’ and the general public’s trust in Blue Cross is paramount. Defendants’ statements were designed to interfere, and have interfered, with that public trust and irreparably damaged Blue Cross’ reputation and business. As a result, Blue Cross is entitled to compensatory and punitive damages to compensate it for Defendants’ actions, as well as an injunction to prevent the substantial and immediate threat of additional irreparable damage to Blue Cross’ reputation and business.

COUNT I - DEFAMATION

35. Blue Cross incorporates by reference the allegations in the preceding paragraphs.

36. Each of the Defendants published or was responsible for publishing actionable false statements about Blue Cross, including but not limited to the statements listed in the Facts section above.

37. Each of the false statements Defendants published or were responsible for publishing was and is defamatory. The statements were clearly directed toward Blue Cross and were designed to and did injure Blue Cross' reputation, expose Blue Cross to public hatred, contempt or ridicule, degrade Blue Cross in society, lessen Blue Cross in public esteem, and lower Blue Cross in the confidence of the community and were an attempt to improperly coerce Blue Cross into entering into new contracts to benefit UMMC and the Defendants' personal positions with UMMC. That the statements were defamatory is clear and unmistakable from the words themselves.

38. Defendants published or were responsible for publishing the statements to third parties and had no privilege to publish such false and defamatory statements about Blue Cross. Instead, Defendants published or were responsible for publishing the false statements with actual malice, with knowledge of their falsity or a reckless disregard of whether the statements were true or false.

39. Defendants' statements falsely accuse Blue Cross of conduct incompatible with proper conduct in the healthcare benefits industry. Such statements were designed to, did, continue to, and are presumed to have injured Blue Cross' reputation and business. Each Defendant is individually, and jointly and severally, liable to Blue Cross for all damages proximately caused by such defamatory statements.

COUNT II – CIVIL CONSPIRACY

40. Blue Cross incorporates by reference the allegations in the preceding paragraphs.

41. Defendants individually and in their individual capacities maliciously entered into an unlawful agreement for the purpose of defaming Blue Cross and trying to improperly coerce Blue Cross into entering into new contracts to benefit UMMC and the Defendants' personal positions with UMMC.

42. The purpose of the agreement—to injure Blue Cross' reputation and expose Blue Cross to public hatred and ridicule, degrade Blue Cross in society, lessen Blue Cross in public esteem, and lower Blue Cross in the confidence of the community—was unlawful. Even if the purposes of the agreement were lawful, it was to be achieved by the unlawful means of defamation.

43. Each of the defamatory statements published by Defendants or at Defendants' direction was an overt act in furtherance of the conspiracy.

44. Blue Cross has suffered actual damages, including but not limited to damages to its reputation and business, as a proximate cause of Defendants' unlawful conspiracy. Each Defendant is individually, and jointly and severally, liable to Blue Cross for all damages proximately caused by their conspiracy.

COUNT III - INJUNCTION

45. Blue Cross incorporates by reference the allegations in the preceding paragraphs.

46. There is a substantial likelihood Blue Cross will prevail in its defamation and civil conspiracy claims against Defendants.

47. Defendants' widespread public relations campaign was designed to cause, and has caused, injury to Blue Cross' hard-earned and long-standing reputation for excellence in the health insurance industry. The continued publication and public dissemination of Defendants' defamatory statements about Blue Cross creates a substantial and imminent threat of irreparable

harm to Blue Cross' reputation for which money damages will not adequately compensate Blue Cross. As such, an injunction against further publication and public dissemination of Defendants' false and defamatory statements is necessary to prevent a substantial and imminent threat of irreparable harm to Blue Cross' reputation and business.

48. The threatened harm to Blue Cross' reputation and business outweighs what little, if any, harm the injunction against further publication of defamatory statements may cause to Defendants. The harm to Blue Cross' reputation and business caused by the defamatory statements is great. By contrast, Defendants have no legitimate or lawful interest in the continued dissemination of untrue and defamatory statements about Blue Cross.

49. An injunction against Defendants' continued dissemination of false and defamatory statements would serve the public interest. Defendants' false and defamatory statements have caused and will continue to cause uncertainty and confusion over Blue Cross Members' ability to obtain medical treatment at UMMC. Enjoining Defendants' from further disrupting these Mississippians' healthcare through their defamatory misinformation campaign would only serve, not harm, the public interest.

ACCORDINGLY, Blue Cross respectfully requests that the Court enter a judgment in its favor and against Defendants in their individual capacities rendering each jointly and severally liable for: general damages; actual or special damages in an exact amount to be proven at trial; punitive damages; pre- and post-judgment interests; and all costs, fees, and expenses, including attorneys' and expert-witness fees, incurred by Blue Cross in prosecuting the above claims. Blue Cross also requests that the Court enter a preliminary and permanent injunction enjoining Defendants from further dissemination of the defamatory statements referenced above and from publishing any further defamatory statements. Blue Cross requests such other and further relief as the Court deems just and proper.

Dated: July 28, 2022.

Respectfully submitted,

**BLUE CROSS & BLUE SHIELD OF
MISSISSIPPI, A MUTUAL
INSURANCE COMPANY**

By: 
R. David Kaufman
One of Its Attorneys

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THE UNIVERSITY OF MISSISSIPPI
MEDICAL CENTER

Office of the Vice Chancellor
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(601) 984-1010

January 28, 2022

CERTIFIED MAIL, RETURN RECEIPT REQUESTED

M. Carol Pigott
President and Chief Executive Officer
Blue Cross & Blue Shield of Mississippi
P. O. Box 1043
Jackson, Mississippi 39215-1043

RE: University of Mississippi Medical Center
Termination of Agreements

Dear Carol:

We have made a number of efforts over the past few months to make clear our dissatisfaction with the business terms of the Participating Hospital Agreements and associated provider and ancillary agreements between the University of Mississippi Medical Center and Blue Cross & Blue Shield of Mississippi. We sincerely hope that our organizations can improve our business partnership based on commercially reasonable terms.

This letter serves as our notice of termination, effective 12pm (midnight) on March 31, 2022, for the following contracts, including but not limited to all associated amendments, appendices, or other attachments thereto:

- Blue Cross & Blue Shield of Mississippi Behavioral Health Network Agreement between University of Mississippi Medical Center and Blue Cross & Blue Shield of Mississippi, Inc., dated August 14, 2018;
- Blue Cross & Blue Shield of Mississippi Healthcare Professional Network Agreement between University of Mississippi Medical Center and Blue Cross & Blue Shield of Mississippi, Inc., dated August 14, 2018;
- Blue Cross & Blue Shield of Mississippi Advanced Nurse Practitioner Network Agreement between University of Mississippi Medical Center and Blue Cross & Blue Shield of Mississippi, Inc., dated August 14, 2018; and,
- Blue Cross & Blue Shield of Mississippi Key Physician Agreement between University of Mississippi Medical Center and Blue Cross & Blue Shield of Mississippi, Inc., dated August 14, 2018.





Office of the Vice Chancellor
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Jackson, Mississippi 39216-4505
(601) 984-1010

The effective termination date of March 31, 2022, will coincide with the pending expiration of the following agreements, whose respective terms were previously amended by the parties to extend their expiration dates to March 31, 2022:

- Participating Hospital Agreement between University of Mississippi Medical Center and Blue Cross & Blue Shield of Mississippi, Inc.;
- Participating Hospital Agreement between University Hospital & Clinics – Holmes County and Blue Cross & Blue Shield of Mississippi, Inc.; and,
- Participating Hospital Agreement between University of Mississippi Medical Center, dba UMMC Grenada and Blue Cross & Blue Shield of Mississippi, Inc.

It is our desire to continue to work with Blue Cross to come to a business arrangement that is acceptable to both parties. We submitted our proposal for updated business terms in the fall and are disappointed that we have not received a counter-proposal from you. Our proposed offer still stands.

This notice of termination shall not apply to those certain State Network Hospital Agreements between the University of Mississippi Medical Center, Grenada Lake Medical Center [University of Mississippi Medical Center, dba UMMC Grenada], and University Hospital & Clinics-Holmes County with Advanced Health Systems, Inc., as network providers for the Mississippi State and School Employees' Life and Health Insurance Plan. These AHS contracts remain in effect for all covered services provided to network participants by UMMC, pursuant to the terms of those agreements. Additionally, any executed letter agreements between UMMC and BCBSMS related to patients needing transplant services are not being terminated.

Our desire is to avoid any disruption of services for the patients we serve and hope that you share this goal for your members such that we are able to amicably resolve this matter prior to March 31st. We remain available to meet to negotiate commercially reasonable business terms.

Sincerely,

UNIVERSITY OF MISSISSIPPI MEDICAL CENTER

LouAnn Woodward, MD
Vice Chancellor for Health Affairs and
Dean, School of Medicine