

UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF
ALABAMA, SOUTHERN DIVISION

Houston County Health Care Authority d/b/a Southeast Health v.
UnitedHealthcare Insurance Company

No. 1:25-cv-00524-RAH (M.D. Ala. Dec. 17, 2025) · No. 1:25-cv-00524-RAH · Decided December 17, 2025

SUMMARY

The United States District Court for the Middle District of Alabama grants UnitedHealthcare Insurance Company’s motion to compel arbitration and stay proceedings in a dispute concerning reimbursement for prescription drugs provided under the federal 340B program. The court holds that the parties’ Facility Participation Agreement contains a broad arbitration and delegation provision requiring the arbitrator to decide questions concerning arbitrability, scope, validity, and termination. The case is stayed pending arbitration, with periodic status reports ordered.

CASE DETAILS

COURT	United States District Court for the Middle District of Alabama, Southern Division
JURISDICTION	United States District Court for the Middle District of Alabama, Southern Division
DECIDED	December 17, 2025
DOCKET	1:25-cv-00524-RAH
DISPOSITION	remanded
PROCEDURAL POSTURE	Defendant moved under the Federal Arbitration Act to compel arbitration and stay the action. Plaintiff opposed the motion, arguing that the underlying Facility Participation Agreement had been terminated and that its claims did not fall within the arbitration agreement.
STANDARD OF REVIEW	A motion to compel arbitration is evaluated under a standard analogous to summary judgment. If there is no genuine dispute of material fact concerning formation of the arbitration agreement, the court may decide formation as a matter of law; if formation is genuinely disputed, the court proceeds summarily to trial under 9 U.S.C. § 4. When a valid delegation provision is not directly challenged, the court does not decide delegated arbitrability questions.

PRECEDENTIAL VALUE

Unknown; district court memorandum opinion with no reporter or precedential designation stated in the source.

TOPICS

arbitration civil procedure contracts insurance coverage commercial litigation

PRACTICE AREAS

arbitration civil procedure contracts insurance health law commercial litigation

QUESTIONS PRESENTED

1. Whether the Facility Participation Agreement contained an enforceable delegation provision assigning questions concerning the agreement's existence, validity, scope, and termination to the arbitrator.
2. Whether Southeast Health's challenges to termination of the Facility Participation Agreement and the applicability of its arbitration clause presented delegated questions of arbitrability.
3. Whether the court was required to compel arbitration and stay the action under the Federal Arbitration Act.

HOLDINGS

1. The Facility Participation Agreement contained a valid delegation provision because the parties expressly agreed to submit all questions of arbitrability, including the existence, validity, scope, and termination of the agreement, to the arbitrator and incorporated the AAA's jurisdictional rules.
2. Southeast Health's arguments that the Facility Participation Agreement had been terminated and that its claims fell outside the arbitration clause were questions of arbitrability delegated to the arbitrator, not issues for the district court to decide.
3. The court granted United's motion to compel arbitration and stayed all of Southeast Health's claims pending completion of arbitration.

KEY QUOTATIONS

"The parties will work together in good faith to resolve any and all disputes between them (hereinafter referred to as "Disputes") including but not limited to all questions of arbitrability, the existence, validity, scope or termination of the Agreement or any term thereof."

"By the plain language of the FPA and incorporation of the rules of the American Arbitration Association (AAA), Southeast Health and United agreed to delegate all questions of arbitrability to the arbitrator."

"In sum, the delegation provision governs and requires that Southeast Health's arguments in opposition to enforcement of the arbitration agreement be submitted to arbitration."

FACTUAL BACKGROUND

Southeast Health, a public not-for-profit hospital in Dothan, Alabama, and United entered into a Facility Participation Agreement in 2007 concerning healthcare services and reimbursement. The agreement contained a broad arbitration and delegation provision covering disputes concerning arbitrability, the existence, validity, scope, or termination of the agreement, and incorporated the American Arbitration Association's commercial procedures. After amendments in 2018, 2021, and 2023, Southeast Health sued United over reimbursement for prescription drugs provided to United's Medicare Advantage enrollees through the federal 340B program.

PROCEDURAL HISTORY

Southeast Health filed state-law claims against United in the Circuit Court of Houston County, Alabama, on June 13, 2025. United removed the action to the Middle District of Alabama on July 16, 2025, and moved to compel arbitration and stay further proceedings. The district court granted the motion, compelled arbitration, and stayed the case pending arbitration.

DISPOSITION

remanded

REMAND INSTRUCTIONS

No remand to a lower court was ordered. The parties were compelled to arbitration, the case was stayed pending conclusion of arbitration, and they were ordered to file a status report by March 2, 2026, followed by updated reports every 90 days.

CASES CITED

- MSP Recovery Claims, Series LLC v. ACE American Insurance Co., 974 F.3d 1305, 1308 (11th Cir. 2020)
- American Hospital Association v. Becerra, 596 U.S. 724, 730 (2022)
- In re Checking Account Overdraft Litigation, 754 F.3d 1290, 1294 (11th Cir. 2014)
- Magnolia Capital Advisors, Inc. v. Bear Stearns & Co., 272 F. App'x 782, 785 (11th Cir. 2008)
- Burch v. P.J. Cheese, Inc., 861 F.3d 1338, 1346 (11th Cir. 2017)
- Bazemore v. Jefferson Capital Systems, LLC, 827 F.3d 1325, 1333 (11th Cir. 2016)
- Rent-A-Center, West, Inc. v. Jackson, 561 U.S. 63, 67-72 (2010)
- Lambert v. Austin Industries, 544 F.3d 1192, 1195 (11th Cir. 2008)
- Dean Witter Reynolds, Inc. v. Byrd, 470 U.S. 213, 218 (1985)
- John B. Goodman Ltd. Partnership v. THF Construction, Inc., 321 F.3d 1094, 1095 (11th Cir. 2003)
- Caley v. Gulfstream Aerospace Corp., 428 F.3d 1359, 1368 (11th Cir. 2005)
- Moses H. Cone Memorial Hospital v. Mercury Construction Corp., 460 U.S. 1, 24-25 (1983)
- Jones v. Waffle House, Inc., 866 F.3d 1257, 1264, 1270-71 (11th Cir. 2017)
- First Options of Chicago, Inc. v. Kaplan, 514 U.S. 938, 943 (1995)
- Henry Schein, Inc. v. Archer & White Sales, Inc., 586 U.S. 63, 68 (2019)
- In re Checking Account Overdraft Litigation, 674 F.3d 1252

- Attix v. Carrington Mortgage Services, LLC, 35 F.4th 1284, 1298-1302, 1309 (11th Cir. 2022)
- Martinez v. Carnival Corp., 744 F.3d 1240, 1246 (11th Cir. 2014)
- Managed Health Care Administration, Inc. v. Blue Cross & Blue Shield of Alabama, 249 So. 3d 486, 491-92 (Ala. 2017)
- Ex parte Shamrock Food Service, Inc., 514 So. 2d 921, 922 (Ala. 1987)
- U.S. Nutraceuticals, LLC v. Cyanotech Corp., 769 F.3d 1308, 1311 (11th Cir. 2014)
- Terminix International Co. v. Palmer Ranch Ltd. Partnership, 432 F.3d 1327, 1332 (11th Cir. 2005)
- Parnell v. CashCall, Inc., 804 F.3d 1142, 1144 (11th Cir. 2015)
- Parm v. National Bank of California, N.A., 835 F.3d 1331, 1335 (11th Cir. 2016)
- Smith v. Spizzirri, 601 U.S. 472, 478 (2024)

Retrieved from lawtools.ai · <https://lawtools.ai/cases/state/united-states-district-court-for-the-middle-district-of-alabama-southern-division-united-states-dist/2025/houston-county-health-care-authority-d-b-a-southeast-health-5mp8v0ut>