

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF NEW YORK

Northwell Health, Inc. v. Blue Cross and Blue Shield of Massachusetts, Inc.

Northwell Health · No. 2:23-cv-977 (NJC) (AYS) · Decided December 5, 2025

SUMMARY

The opinion addresses Northwell Health’s motion for leave to file a second amended complaint against Blue Cross and Blue Shield of Massachusetts concerning alleged underpayment for healthcare services. The court explains that, because judgment had already been entered after dismissal with prejudice, Northwell first had to obtain relief under Federal Rules of Civil Procedure 59(e) or 60(b) before Rule 15(a)(2)’s liberal amendment standard could apply. The document discusses the governing Second Circuit and Supreme Court standards for post-judgment amendment motions, including futility, manifest injustice, and extraordinary circumstances.

CASE DETAILS

COURT	United States District Court for the Eastern District of New York
WRITING FOR THE COURT	Nusrat J. Choudhury
JURISDICTION	United States District Court for the Eastern District of New York
DECIDED	December 5, 2025
DOCKET	2:23-cv-977 (NJC) (AYS)
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff moved for leave to file a second amended complaint after the court had dismissed the amended complaint with prejudice and judgment had automatically entered under Federal Rule of Civil Procedure 58(c)(2)(B).
STANDARD OF REVIEW	Post-judgment amendment requires the movant first to satisfy the standards for vacating or altering the judgment under Rule 59(e) or Rule 60(b); Rule 59(e) relief requires an intervening change in controlling law, newly available evidence, clear error, or manifest injustice, while Rule 60(b) relief requires exceptional or extraordinary circumstances. Only after that showing does the liberal Rule 15(a)(2) amendment standard apply. Futility is assessed under the Rule 12(b)(6) plausibility standard.

PRECEDENTIAL VALUE	unpublished district court opinion
PARTIES	Northwell Health, Inc. v. Blue Cross and Blue Shield of Massachusetts, Inc.

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QUESTIONS PRESENTED

1. Whether Northwell's post-judgment motion to amend could be granted without first vacating the judgment under Rule 59(e) or Rule 60(b).
2. Whether this was a proper case in which to consider the nature of the proposed amendment in deciding whether to vacate the judgment under Rule 59(e).
3. Whether the proposed second amended complaint would be futile because it failed to state plausible claims for breach of contract, third-party beneficiary enforcement, unjust enrichment, or quantum meruit.
4. Whether Northwell demonstrated extraordinary circumstances warranting relief from judgment under Rule 60(b)(6).

HOLDINGS

1. A party seeking to amend a pleading after judgment must first obtain relief from or vacatur of the judgment under Rule 59(e) or Rule 60(b); the liberal Rule 15(a)(2) standard does not apply until that threshold is satisfied.
2. This was a proper case in which to consider the nature of the proposed amendment in deciding whether to vacate the judgment under Rule 59(e), because Northwell had not previously received the court's substantive assessment of the pleading deficiencies and had not been given a meaningful opportunity to amend after that assessment.
3. The proposed second amended complaint failed to state a plausible breach-of-contract claim against Blue Cross Massachusetts because it did not plausibly allege contractual privity, an agency relationship between Empire and Blue Cross Massachusetts, ratification, or that Blue Cross Massachusetts manifested an intent to be bound by the Empire Agreements.
4. The proposed second amended complaint failed to plausibly allege that Northwell was an intended third-party beneficiary of the BlueCard Program agreements, agreements between Blue Cross Massachusetts and Empire, or the agreements between Northwell and Empire.
5. The proposed second amended complaint failed to state claims for unjust enrichment or quantum meruit because it alleged valid contracts governing the same subject matter.

6. Northwell did not demonstrate extraordinary circumstances warranting vacatur under Rule 60(b)(6).

KEY QUOTATIONS

“To the extent that Northwell disagrees with this Court’s ruling, the proper avenue to raise these disagreements is an appeal, not serial attempts to relitigate the same issues under the guise of different factual theories.” (Discussion § II)

“For the reasons explained above, the Court denies Plaintiff Northwell Health, Inc.’s Motion to Amend (ECF No. 84).” (Conclusion)

FACTUAL BACKGROUND

Northwell provided healthcare services to patients insured by Blue Cross Massachusetts and sought reimbursement under theories of breach of contract, third-party beneficiary status, unjust enrichment, and quantum meruit. Northwell’s alleged contractual relationships were principally with Empire, a different Blue Cross entity, and the proposed second amended complaint relied on the BlueCard Program, agreements between Blue Cross entities and the Association, and agreements between Northwell and Empire. The court previously dismissed Northwell’s amended complaint with prejudice for failure to plausibly allege contractual privity, third-party beneficiary status, or viable quasi-contract claims. The proposed amendments added detail concerning agency, ratification, claim processing, and assignment but did not materially change the alleged contractual structure.

PROCEDURAL HISTORY

Northwell originally filed state-law contract and quasi-contract claims in New York state court, and Blue Cross Massachusetts removed the action based on diversity jurisdiction. Northwell amended once as of right. The court later dismissed the amended complaint with prejudice under Rule 12(b)(6), denied reconsideration, and judgment automatically entered 150 days after the dismissal order because no separate judgment document had initially been filed. Northwell then moved for leave to file a second amended complaint. The court held that the motion was post-judgment, considered whether vacatur was warranted under Rules 59(e) or 60(b), and denied the motion because the proposed amendments were futile.

DISPOSITION

other

CASES CITED

- Williams v. Nat’l R.R. Passenger Corp. (Amtrak), No. 18-cv-7070, 2019 WL 3423267, at *1 (S.D.N.Y. July 30, 2019)
- Stidhum v. 161-10 Hillside Auto Ave., LLC, No. 21-1653-cv, 2022 WL 1087144, at *1-2 (2d Cir. Apr. 12, 2022)
- Arzuaga v. Quiros, 781 F.3d 29, 33 (2d Cir. 2015)
- Metzler Investment GmbH v. Chipotle Mexican Grill, Inc., 970 F.3d 133, 142-46 (2d Cir. 2020)

- *Sacerdote v. New York University*, 9 F.4th 95, 115 (2d Cir. 2021)
- *Axel Johnson Inc. v. Arthur Andersen & Co.*, 6 F.3d 78, 84 (2d Cir. 1993)
- *Cho v. Blackberry Ltd.*, 991 F.3d 155, 170 (2d Cir. 2021)
- *Kolel Beth Yechiel Mechil of Tartikov, Inc. v. YLL Irrevocable Tr.*, 729 F.3d 99, 104 (2d Cir. 2013)
- *Chitkara v. N.Y. Tel. Co.*, 45 F. App'x 53, 55 (2d Cir. 2002)
- *Foman v. Davis*, 371 U.S. 178, 182 (1962)
- *National Petrochemical Co. of Iran v. M/T Stolt Sheaf*, 930 F.2d 240, 245 (2d Cir. 1991)
- *Williams v. Citigroup, Inc.*, 659 F.3d 208, 214 (2d Cir. 2011)
- *Indiana Public Retirement System v. SAIC, Inc.*, 818 F.3d 85, 93-96 (2d Cir. 2016)
- *Ruotolo v. City of New York*, 514 F.3d 184, 191 (2d Cir. 2008)
- *BLOM Bank SAL v. Honickman*, 605 U.S. ___, 145 S. Ct. 1612, 1617-22 (2025)
- *Mandala v. NTT Data, Inc.*, 88 F.4th 353, 357-65 (2d Cir. 2023)
- *Attestor Value Master Fund v. Republic of Argentina*, 940 F.3d 825, 833 (2d Cir. 2019)
- *Loreley Financing (Jersey) No. 3 Limited v. Wells Fargo Securities, LLC*, 797 F.3d 160, 190 (2d Cir. 2015)
- *State Trading Corp. of India, Ltd. v. Assuranceforenigen Skuld*, 921 F.2d 409, 418 (2d Cir. 1990)
- *Reza v. Khatun*, No. 09-cv-233, 2017 WL 1170559, at *4-5 (E.D.N.Y. Dec. 22, 2017)
- *Ossining Union Free Sch. Dist. v. Anderson LaRocca Anderson*, 73 N.Y.2d 417, 424 (1989)
- *Bailey v. City of New York*, 2024 WL 2947473, at *2 (N.Y. App. Div. 2024)
- *Ridge Clearing & Outsourcing Sols., Inc. v. Khashoggi*, No. 07-cv-6611, 2011 WL 3586455, at *7 (S.D.N.Y. Aug. 12, 2011)
- *Ford v. Unity Hosp.*, 299 N.E.2d 659, 664 (N.Y. 1973)
- *Broadridge Sec. Processing Sols., LLC v. Khashoggi*, 507 F. App'x 57 (2d Cir. 2013)
- *Sherrod v. Mount Sinai St. Luke's*, 168 N.Y.S.3d 95, 102 (2022)
- *Crimi v. Nat'l Life Ins. Co.*, 767 N.Y.S.2d 309, 310-11 (2d Dep't 2003)
- *Hempstead Realty, LLC v. Sturup*, 2017 WL 2215747, at *5 (N.Y. Sup. Ct. 2017)
- *Holm v. C.M.P. Sheet Metal*, 455 N.Y.S.2d 429, 432 (1982)
- *Horsehead Indus., Inc. v. Metallgesellschaft AG*, 657 N.Y.S.2d 632, 633 (1997)
- *Dormitory Auth. v. Samson Constr. Co.*, 30 N.Y.3d 704, 710-11 (2018)
- *In re George Washington Bridge Bus Station Dev. Venture LLC*, 65 F.4th 43, 54 (2d Cir. 2023)
- *Madeira v. Affordable Hous. Found., Inc.*, 469 F.3d 219, 251 (2d Cir. 2006)
- *Cal. Pub. Employees' Ret. Sys. v. Shearman & Sterling*, 95 N.Y.2d 427, 434-35 (2000)
- *Villnave Constr. Servs., Inc. v. Crossgates Mall Gen. Co. Newco, LLC*, 161 N.Y.S.3d 480, 485 (2022)
- *Mid-Hudson Catskill Rural Migrant Ministry, Inc. v. Fine Host Corp.*, 418 F.3d 168, 175 (2d Cir. 2005)
- *Sols. Express Ltd. v. Ashley Furniture Indus., Inc.*, No. 20-cv-7843, 2023 WL 2393861, at *5 (S.D.N.Y. Mar. 7, 2023)
- *Viable Mktg. Corp. v. Intermark Commc'ns, Inc.*, No. 09-cv-1500, 2011 WL 3841417, at *3 (E.D.N.Y. Aug. 26, 2011)

- Tchr. Ins. & Annuity Ass'n of Am. v. CRIIMI MAE Servs. Ltd. P'ship, 681 F. Supp. 2d 501, 511 (S.D.N.Y. 2010)
- Tchr. Ins. & Annuity Ass'n of Am. v. CRIIMI MAE Servs. Ltd. P'ship, 481 F. App'x 686 (2d Cir. 2012)
- Northwell Health, Inc. v. BlueCross BlueShield of Tennessee, Inc., No. 23-cv-600, 2024 WL 5108159 (E.D.N.Y. Dec. 13, 2024)
- Northwell Health, Inc. v. Group Hospitalization and Medical Services, Inc., No. 23-cv-1268, 2024 WL 5213366 (E.D.N.Y. Dec. 24, 2024)

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