



September 18, 2025

Hello Providers,

I hope the message finds you well.

As many of you are already aware, yesterday the Department of Justice (DOJ) filed a lawsuit under the False Claims Act against IEHP related to IEHP's utilization of Medi-Cal expansion funding received under the Affordable Care Act (ACA). Alongside the lawsuit, the DOJ also published a press release titled, "United States Files Suit Against California-Based Health Plan for Alleged False Claims to California's Medicaid Program." The full article is [here](#).

The DOJ alleges that IEHP improperly utilized expansion funds from the ACA in 2014 and failed to return unspent funds to the California Department of Health Care Services (DHCS) in violation of the expansion program's rules.

IEHP strongly disagrees with the DOJ allegations, and we are prepared to defend our position through the appropriate legal channels.

As a not-for-profit public entity, IEHP's mission has always been to serve our most vulnerable residents. IEHP has never wavered in that commitment for nearly 30 years. We remain deeply committed to our mission to heal and inspire the human spirit.

I'm attaching a document of talking points, should you receive questions from your colleagues or patients. Thank you for your support during this time and for the care you provide to our members every day.

Sincerely,

Jarrod McNaughton  
CEO, IEHP

## Provider Talking Points

Sept. 18, 2025

### **When was IEHP first made aware of the lawsuit?**

IEHP only recently received and is continuing to review the Department of Justice (DOJ)'s complaint. We are committed to vigorously defending our position and maintain that the allegations are baseless, as we have consistently done so during the course of the investigation that preceded this litigation.

### **Why was IEHP on the DOJ's radar?**

The Department of Justice (DOJ) has been systematically targeting health plans administering Medi-Cal, alleging misuse of Affordable Care Act (ACA) funds that they believe are "owed" to the federal government. We believe that IEHP is one of several health plans that were under DOJ review.

### **What is IEHP's stance on the allegations?**

IEHP has always been committed to transparency and accountability. IEHP maintains that we have complied with all legal requirements in the administration of the Medi-Cal benefit that serves 1.5 million Inland Empire residents.

### **Does IEHP plan to settle the case?**

IEHP stands by our business decisions, which are always done in good faith to assist our members and providers. IEHP strongly rejects claims that the plan made false statements.

### **How long will it take to resolve this legal issue?**

It is uncertain how long litigation may last. IEHP will continue to stand by our team members, members and providers while we address the DOJ's accusations. Our top priority is to care for our 1.5 million members entrusted to our care.

### **How does this lawsuit impact IEHP's team members or daily operations?**

We do not anticipate this lawsuit impacting our day-to-day operations or our team members.

### **How will this lawsuit impact IEHP's providers?**

We do not anticipate any disruption to our provider contracts, P4P incentives or other provider support programs or services.

### **How will this lawsuit impact IEHP's members?**

IEHP has never wavered in our mission to heal and inspire the human spirit. We do not anticipate this lawsuit will impact our 1.5 million members or our ability to provide the highest quality of care for them.