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Notice of Judgment and Disposition

November 21, 2025

Docket Number: 2024 - CA - 0543

State of Louisiana

versus

OptumRX, Inc. and United Healthcare of Louisiana, Inc d/b/a
United Healthcare Community Plan

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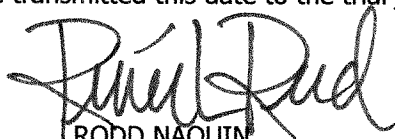
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VIA EMAIL

In accordance with Local Rule 6 of the Court of Appeal, First Circuit, I hereby certify that this notice of judgment and disposition and the attached disposition were transmitted this date to the trial judge or equivalent, all counsel of record, and all parties not represented by counsel.


RODD NAQUIN
CLERK OF COURT

STATE OF LOUISIANA

COURT OF APPEAL

FIRST CIRCUIT

2024 CA 0543

STATE OF LOUISIANA

VERSUS

OPTUMRX, INC. AND UNITED HEALTHCARE OF LOUISIANA, INC.
D/B/A UNITED HEALTHCARE COMMUNITY PLAN

Judgment Rendered: NOV 21 2025

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On Appeal from the
Nineteenth Judicial District Court
In and for the Parish of East Baton Rouge
State of Louisiana
Docket No. 717848

Honorable Donald R. Johnson, Judge Presiding

* * * * *

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* * * * *

BEFORE: McCLENDON, C.J., LANIER AND BALFOUR, JJ.

McCLENDON, C.J.

In this appeal, two Medicaid service providers challenge the trial court's judgment that sustained the State of Louisiana's peremptory exception raising the objection of no cause of action and dismissed with prejudice the service providers' reconventional demand for declaratory judgment and injunctive relief. For the reasons that follow, we reverse and remand for further proceedings.

FACTS AND PROCEDURAL HISTORY

On April 13, 2022, the State of Louisiana through the Honorable Jeff Landry, Attorney General (State), filed a Petition for Injunctive Relief and Restitution, seeking to recover overpayments for prescription drug prices charged by the defendants, OptumRx, Inc. (OptumRx) and United Healthcare of Louisiana, Inc. d/b/a United Healthcare Community Plan (United), related to the operation of the Louisiana Medicaid Program.¹ The State alleged that OptumRx is a pharmacy benefit management organization, who acts as a middleman between pharmacies, drug suppliers, and Medicaid and that United is a managed care organization that acts as one of the insurance plans for Medicaid participants in Louisiana.² The State asserted that OptumRx, together with co-owned United, exploited the secrecy and complexity that surrounds the real prices paid for prescription drugs through the supply chain. The State contended that OptumRx and United substantially inflated the price of prescription drugs at the expense of customers and pharmacies and delayed the release of generic equivalents, causing the State "to grossly overpay for Medicaid services in Louisiana by measures of billions of dollars." The State asserted causes of action for breach of contract, violations of the Louisiana Unfair Trade Practices and Consumer Protection Law (LUTPA), and violations of the Louisiana Medical Assistance Program Integrity Law (MAPIL).³

¹ The Louisiana Medicaid Program is administered by the State through the Louisiana Department of Health.

² In its petition, the State asserted that it currently holds contracts with five managed care organizations, one of which is United. The State further contended that its contracts with the managed care organizations permit the companies to subcontract the provision of prescription drug benefits to third party pharmacy benefit management organizations, which United has chosen to do, and that United's subcontractor pharmacy benefit management organization handling prescription drug coverage for its Louisiana Medicaid enrollees is OptumRx. Further, the State alleged that OptumRx is owned by UnitedHealth Group, who also owns United.

³ Alternatively, the State asserted a claim for unjust enrichment.

OptumRx and United (collectively, Optum) answered the petition, generally denying the allegations and asserting certain exceptions and affirmative defenses. Thereafter, discovery began, and on November 6, 2023, Optum filed a Motion for Leave to File an Amended Answer, Additional Defense, and Reconventional Demand to the State's Petition for Injunctive Relief and Restitution. Over the State's objection, the trial court granted Optum's motion for leave, and on January 5, 2024, Optum filed its Amended Answer, Additional Defense, and Reconventional Demand.

In its reconventional demand, which is the subject of this appeal, Optum alleged that the State, as the defendant in reconvention, was represented in this proceeding by the law firm of Salim-Beasley LLC (Salim-Beasley) after having entered into a contract in 2023 for legal services "purporting to 'renew'" Salim-Beasley's authorization to represent the State relating to delayed generic entry and pharmacy benefit management. Optum further asserted that the contract made payment of attorney fees contingent on either an award by the court or settlement by a defendant. Optum alleged that the contract expressly provided that it was not an hourly engagement, that fees collected by counsel were separate from any recovery by the State, and that the legislature appropriated no funds for the payment of fees to private counsel. Therefore, as alleged by Optum, the Attorney General, on behalf of the State,⁴ was in direct violation of the Louisiana Constitution, statutes, and case law, because the Attorney General was prohibited from entering into contingency fee contracts with private attorneys without express legislative authorization. Optum sought a declaration that the 2023 contract between the Attorney General and Salim-Beasley "is invalid and may not be implemented, performed, or enforced."⁵ Optum also sought, in its reconventional demand, preliminary and permanent injunctive relief barring the State and its lawyers, including the Attorney General and private counsel, from implementing, performing, or enforcing the contract.

⁴ Optum points out that LSA-Const. art. IV, § 8 provides that the Attorney General "is the chief legal officer of the [S]tate" and shall have the authority to assert any right or interest of the State in any civil action or proceeding.

⁵ Optum's Amended Answer also added the affirmative defense that the Salim-Beasley contract for legal services violated the Louisiana Constitution and statutory law.

Subsequently, on November 7, 2023, Optum filed a separate Motion for Preliminary and Permanent Injunction, seeking to enjoin the implementation, performance, and enforcement of “the State’s retention of all private counsel who have appeared or otherwise acted on behalf of the State in this matter.” The trial court began the hearing on the request for a preliminary injunction on January 10, 2024, and set an additional hearing date for February 1, 2024. Between those two dates, the State filed a peremptory exception raising the objection of no cause of action.⁶ See LSA-C.C.P. art. 927(A)(5). The trial court set the hearing on the objection of no cause of action for January 29, 2024. At the hearing, the trial court took the matter under advisement and instructed counsel for the parties to submit proposed judgments, findings of fact, and conclusions of law.

Thereafter, on February 1, 2024, the parties appeared for the hearing on Optum’s request for a preliminary injunction scheduled to resume that day. The trial court first ruled on the State’s objection of no cause of action, sustaining the exception. As a result, “the parties determined that today’s hearing is moot at this time.” The trial court signed a judgment on February 7, 2024, sustaining the peremptory exception raising the objection of no cause of action and dismissing with prejudice Optum’s reconventional demand. The trial court also designated the judgment as a final appealable judgment pursuant to LSA-C.C.P. art. 1915(B), certifying that there was no just reason for delay.⁷ On February 27, 2024, the trial court issued Written Reasons for Judgment, adopting the findings of fact and conclusions of law filed by the State on January 30, 2024, as its reasons for judgment.⁸

⁶ The State also filed a peremptory exception raising the objection of nonjoinder of a party under LSA-R.S. arts. 641 and 642. See LSA-C.C.P. art. 927(A)(4).

⁷ We note that by Acts, 2025, No. 250, § 3, effective August 1, 2025, Paragraph B of Article 1915 has been deleted. The revisions remove from Paragraph B the authority of the trial court to designate a judgment as final and appealable after an express determination that there is no just reason for delay. See LSA-C.C.P. art. 1915, Comments-2025, Comment (a).

⁸ The trial court’s Written Reasons for Judgment state that the trial court sustained both the objections of no cause of action and of nonjoinder. However, the February 7, 2024 judgment makes no reference to the peremptory exception raising the objection of nonjoinder of a party under LSA-R.S. arts. 641 and 642. Generally, when a judgment is silent as to a claim or demand, it is presumed that the trial court denied the relief sought. **Barham & Arceneaux v. Kozak**, 2002-2325 (La.App. 1 Cir. 3/12/04), 874 So.2d 228, 241, writ denied, 2004-0930 (La. 6/4/04), 876 So.2d 87. Nevertheless, of note, the sustaining of the peremptory exception raising the objection of no cause of action would arguably have rendered the non-joinder exception moot.

Optum appealed the February 7, 2024 judgment, designating portions of the record for appeal and assigning the following as error:

1. The trial court erred in sustaining the State's peremptory exception raising the objection of no cause of action to Optum's reconventional demand, which sought a declaration that the State's legal services contract with private counsel violates the Constitution and Louisiana law by diverting state funds to private counsel without legislative authorization; and
2. In the alternative, the trial court erred in dismissing the defendants' reconventional demand with prejudice rather than granting leave to amend to address any perceived pleading deficiency.

APPLICABLE LAW

The objections that may be raised through the peremptory exception include the objection of no cause of action. LSA-C.C.P. art. 927(A)(5).⁹ The peremptory exception raising the objection of no cause of action questions whether the law affords the plaintiff any remedy under the allegations of the petition. **Midland Funding LLC v. Welch**, 2022-0823 (La.App. 1 Cir. 2/24/23), 361 So.3d 1022, 1026. The exception is triable only on the face of the petition and any attached documentation, and no evidence may be introduced to support or controvert the objection. **Id.** See LSA-C.C.P. art. 931.¹⁰ The trial court must presume all well-pleaded facts are true, must make all reasonable inferences in favor of the nonmoving party, and must resolve any doubts in favor of the petition's sufficiency. **Midland Funding LLC**, 361 So.3d at 1026. The purpose of the exception raising the objection of no cause of action is not to determine whether the plaintiff will ultimately prevail at trial, but to only ascertain if a cause of action exists. **Louisiana Public Service Com'n v. Louisiana State Legislature**, 2012-0353 (La.App. 1 Cir. 4/26/13), 117 So.3d 532, 537.

⁹ We note that LSA-C.C.P. art. 927(A)(5) was amended by Acts 2025, No. 250, § 3, effective August 1, 2025, to clarify that a partial judgment sustaining an exception raising the objection of no cause of action may be appropriate when two or more actions based on the same operative facts of a single transaction or occurrence are cumulated. See LSA-C.C.P. art. 927(A)(5), Comments-2025.

¹⁰ Louisiana Code of Civil Procedure art. 931 provides, in pertinent part, that "[n]o evidence may be introduced at any time to support or controvert the objection that the petition fails to state a cause of action."

An objection of no cause of action is likely to be granted only in the unusual case in which the plaintiff includes allegations that show on the face of the petition that there is some insurmountable bar to relief. Thus, dismissal is justified only when the allegations of the petition itself clearly show that the plaintiff does not have a cause of action or when its allegations show the existence of an affirmative defense that appears clearly on the face of the pleadings. **Louisiana Public Service Com'n**, 117 So.3d at 537. When it can reasonably do so, a court should maintain a petition against an exception of no cause of action to afford a litigant an opportunity to present his evidence. **Id.**

The burden of demonstrating that a petition fails to state a cause of action is on the mover. Because the exception raises a question of law and the trial court's decision is based only on the sufficiency of the petition, a judgment sustaining a peremptory exception raising the objection of no cause of action is reviewed by an appellate court *de novo*. **Louisiana Public Service Com'n**, 117 So.3d at 537.

Louisiana Code of Civil Procedure article 1871 sets forth the scope of declaratory judgments, providing that "[c]ourts of record within their respective jurisdictions may declare rights, status, and other legal relations whether or not further relief is or could be claimed." A person interested under a deed, will, written contract or other writing constituting a contract, or whose rights, status, or other legal relations are affected by a statute, municipal ordinance, contract or franchise, may have determined any question of construction or validity arising under the instrument, statute, ordinance, contract, or franchise and obtain a declaration of rights, status, or other legal relations thereunder. LSA-C.C.P. art. 1872.

The purpose of the declaratory judgment articles of the Louisiana Code of Civil Procedure is to settle and afford relief from uncertainty and insecurity with respect to rights, status, and other legal relations, and they are to be liberally construed and administered. LSA-C.C.P. art. 1881; **Terrebonne Parish Consolidated Government v. Louisiana Department of Natural Resources**, 2021-0486 (La.App. 1 Cir. 12/30/21), 340 So.3d 940, 944. A person is entitled to relief by declaratory judgment when his rights are uncertain or disputed in an immediate and genuine situation, and the declaratory judgment will remove the uncertainty or terminate the dispute. Moreover,

there must exist a concrete, justiciable controversy framing the facts in order to avoid the rendering of an advisory opinion. **Id.** In the context of a petition for declaratory judgment, a “justiciable controversy” connotes an existing actual and substantial dispute, as distinguished from one that is merely hypothetical or abstract, and a dispute that involves the legal relations of parties with real adverse interests, upon which the judgment of the court may effectively operate through a decree or conclusive character. **Id.**

DISCUSSION

In its appeal, Optum asserts that its reconventional demand for declaratory judgment, and ancillary injunctive relief, sufficiently stated a cause of action regarding its claim that the State’s contract was in violation of the Louisiana constitution and statutory law.¹¹ Particularly, Optum contends that the contract is a contingency fee arrangement that unconstitutionally diverts state funds to private counsel without legislative approval in violation of the Louisiana Supreme Court case of **Meredith v. Ieyoub**, 96-1110 (La. 9/9/97), 700 So.2d 478. Additionally, Optum avers that the contract permits the State’s private counsel to receive payment directly from Optum in violation of statutory law prohibiting state lawyers from receiving outside compensation.

To the contrary, the State argues that the trial court correctly sustained the objection of no cause of action and dismissed with prejudice the defendants’ reconventional demand because the State has sovereign immunity from the defendants’ claims, the defendants’ factual allegations fail to state a cause of action, and even if a cause of action exists, the defendants brought suit against the wrong party.

Initially, we point out that the trial court determined that sovereign immunity barred Optum’s request to have the State’s legal services contract with private counsel declared unconstitutional. Subject matter jurisdiction is the legal power and authority of a court to adjudicate a particular matter involving the legal relations of the parties and to grant the relief to which the parties are entitled. See LSA-C.C.P. arts. 1 and 2. It cannot be conferred by the consent of the parties or waived. LSA-C.C.P. art. 3. The issue of

¹¹ We note that the Chamber of Commerce of the United States of America filed an *amicus curiae* brief in this court in support of the position taken by Optum.

subject matter jurisdiction may be raised at any stage of the proceeding and must be considered as a threshold issue even if it is not raised by the parties. **Mid-City Automotive, L.L.C. v. Department of Public Safety and Corrections, Office of State Police**, 2021-1024 (La.App. 1 Cir. 4/8/22), 342 So.3d 50, 54, writ denied, 2022-00918 (La. 10/4/22), 347 So.3d 889.

The defense of sovereign immunity is a challenge to the exercise of a state court's subject matter jurisdiction. **Lassalle v. Napoleon**, 2022-0460 (La.App. 4 Cir. 12/20/22), 356 So.3d 74, 77. However, it is a well-settled principle of law that sovereign immunity does not shield the State (or its agencies) from suits challenging the constitutionality of the State's acts. **Mid-City Automotive, L.L.C.**, 342 So.3d at 55-56.

In this matter, Optum maintains that the State is not shielded from suit due to the unconstitutionality of the State's act of entering into a contract prohibited by the Louisiana constitution and statutory law. Specifically, Optum contends that the Attorney General's contract with private counsel facially violates a fundamental principle of constitutional law in that the Attorney General is exercising the legislature's exclusive power in financial matters to pay outside counsel to prosecute legal claims on behalf of the State without legislative approval, in violation of the separation of powers doctrine. See Meredith, 700 So.2d at 481-82. Therefore, Optum contends sovereign immunity does not bar its reconventional demand challenging the constitutionality of the contract for attorney fees at issue herein. See Mid-City Automotive, L.L.C., 342 So.3d at 55-56. Optum clearly has an interest in asserting a claim to prevent the Attorney General from entering into a contract with private counsel that is in violation of the constitution and statutory law. Therefore, after careful review, we find no merit to the State's argument that sovereign immunity bars the exercise of subject matter jurisdiction over Optum's claims. Accordingly, we now consider whether the defendants have alleged a cause of action.

The **Meredith** case, decided by the Louisiana Supreme Court more than two decades ago, involved a contract for legal services between the Attorney General and private counsel to investigate and prosecute environmental damage claims on a contingency fee basis. The contract specifically provided that if damages were recovered, private counsel would recover twenty-five percent of the gross recovery as attorney fees

subject to a cap amount. **Meredith**, 700 So.2d at 479. In addition, the contract provided that the attorney fees were payable directly to outside counsel. **Id.**

The supreme court held that the contract in **Meredith** was an unconstitutional infringement by the Attorney General upon the legislature's power to control the financial affairs of the State. The supreme court reasoned that, absent constitutional or statutory authority granting the Attorney General the financial authority to hire outside attorneys and pay them on a contingency fee basis, the Attorney General cannot do so. **Meredith**, 700 So.2d at 481-82. The supreme court concluded that the legislature can statutorily authorize such contingency fee contracts, which, if done, would not violate the separation of powers doctrine found in Article II, § 2 of the Louisiana Constitution.¹² **Id.** Because the legislature had not authorized the Attorney General to enter into the contingency fee contracts that were at issue in **Meredith**, the supreme court ruled the contracts were invalid and unenforceable. **Meredith**, 700 So.2d at 484. See also **Ieyoub ex rel. State v. W.R. Grace & Company-Conn.**, 97-728 (La.App. 3 Cir. 3/6/98), 708 So.2d 1227, 1230.

Herein, Optum argues that the contract at issue is essentially a contingency fee contract, since payment to outside counsel is contingent on a fee award by the appropriate court or settlement, and violative of **Meredith**. Optum contends that diverting state funds in the form of attorney fees to private counsel without legislative approval violates both the Louisiana Constitution and statutory law.¹³

In response to Optum's argument, the State asserts that the contract is a fee shifting arrangement rather than a typical contingency fee contract, and thus, the

¹² "The powers of government of the state are divided into three separate branches: legislative, executive, and judicial." LSA-Const. art. II, § 1. Article II, § 2 provides that "[e]xcept as otherwise provided by this constitution, no one of these branches, nor any person holding office in one of them, shall exercise power belonging to either of the others."

¹³ Optum refers not only to Article II, § 2 of the Louisiana Constitution, but also to LSA-R.S. 42:262(A), which provides:

In the event that the attorney general, or any state agency, board or commission, not including any public postsecondary education institution, is represented by a special attorney or counsel, the special attorney or counsel shall not be compensated for such representation on a *contingency fee* or percentage basis in the absence of express statutory authority, including R.S. 17:100.10, R.S. 23:1669, R.S. 37:2153, R.S. 41:724 and 922, R.S. 42:1157.3, R.S. 46:15, R.S. 47:1512, 1515.3, 1516, 1516.1, and 1676. In retaining a special attorney or counsel, preference shall be given to private attorneys licensed to practice law in this state and law firms domiciled and licensed in this state. (Emphasis added).

Meredith case is not applicable. The State argues that any payment to outside counsel for the State will be made directly by Optum, and the contract does not allow private counsel to receive any percentage or portion of the State's recovery as in a contingency fee contract.¹⁴ Therefore, according to the State, the State has no financial obligations to the attorneys under the contract.

Initially, we note that this matter comes before us on a peremptory exception raising the objection of no cause of action. Further, it is clear from the written reasons that the trial court considered the contracts between the Attorney General and private counsel in ruling on the exception. However, Optum's reconventional demand did not contain any attachments thereto. The trial court reasoned that the contracts were filed "at the same time" as Optum's reconventional demand when they were attached as exhibits to Optum's motion for a preliminary injunction. Nevertheless, no evidence may be introduced at any time to support or controvert the objection that the petition fails to state a cause of action. LSA-C.C.P. art. 931. Therefore, only the reconventional demand and any attachments thereto may be considered. Moreover, a review of the record indicates that the motion for a preliminary injunction, with the exhibits, was filed one day after the reconventional demand. Accordingly, we look only to the well-pleaded facts set forth in Optum's reconventional demand.

In its reconventional demand, Optum alleged the following, in pertinent part:

2.

Defendant-in Reconvention is represented in these proceedings by the law firm of Salim-Beasley LLC ("Salim-Beasley"). ...

3.

On February 13, 2023, the Attorney General entered into a contract for legal services purporting to "renew" Salim-Beasley's authorization to represent the State of Louisiana in litigation relating to "delayed generic entry" and "pharmacy benefit management."

¹⁴ Black's Law Dictionary (12th ed. 2024) defines a contingent fee as "[a] fee charged for a lawyer's services only if the lawsuit is successful or is favorably settled out of court. • Contingent fees are usu. calculated as a percentage of the client's net recovery (such as 25% of the recovery if the case is settled, and 33% if the case is won at trial)."

4.

The compensation provision of that contract **makes payment contingent on either an award “by the appropriate Court” or “settlement by a defendant.”** The agreement is expressly “not an hourly engagement.”

5.

The 2023 contract confirms that **the Legislature has “appropriated no funds for the payment of fees” to private counsel.** Nor is there any “expectation or representation that the Legislature will do so in the future.”

6.

In a thinly veiled attempt to circumvent state law, the 2023 retention agreement further specifies that “the only fees to be collected by Counsel under this Agreement” are “separate from any recovery by the State.” However, the only claimant in the Petition is the State, and thus **the only party that can “recover” on that Petition is the State.** This is so even if a judgment or settlement directs amounts recovered on the State’s claims to be paid to a third party.

7.

The Attorney General, in direct violation of the Louisiana constitution, case law, and statutes, has illegally retained Salim-Beasley **to represent the State of Louisiana on a contingency-fee basis** in this case under the 2023 contract for legal services.

8.

The Louisiana Supreme Court has made clear that the Louisiana Constitution **prohibits the Attorney General from “enter[ing] into contingency fee contracts with private attorneys” absent express “legislative authorization.”** Contracts that contravene this prohibition are “invalid” and “may not be implemented or enforced.”

9.

The 2023 contract is a contingency-fee arrangement that the Attorney General entered into without express legislative authority. The recovery of fees here is expressly contingent on (1) a fee award by “the appropriate Court” or (2) settlement, both of which implicitly require the State’s success in the prosecution of its own claims (by whatever legal counsel is employed). The 2023 contract is thus invalid under the Louisiana Constitution, as explained in *Meredith v. Ieyoub*.

10.

Independent of the constitutional requirements for contracts with private counsel, **Louisiana statutory law forbids contingency-fee arrangements without express legislative approval.**

11.

The 2023 contract directly and expressly contravenes Revised Statute 42:262(A) by **providing for a contingency fee absent express legislative approval**. The contract makes clear that “the State has no financial obligations to Counsel under the Agreement,” that “[t]he Legislature of Louisiana has appropriated no funds for the payment of fees to Counselor,” and that there is no “expectation or representation that the Legislature will do so in the future.” In the case of a judicial award, the contract contemplates reallocating to private counsel attorney fees that “belong[] to the [S]tate and shall be deposited into the state treasury” in violation of section 262(B). Moreover, in the event of a settlement, the contract contemplates that Defendants (rather than the State) will compensate private counsel, in violation of section 262(C) and Revised Statute 42:1111.A(a)(1). The 2023 contract is thus invalid under Louisiana statutory law.

* * *

16.

Because the 2023 contract between the Attorney General and Salim-Beasley violates Louisiana law, Plaintiffs-in-Reconvention are entitled to a declaratory judgment that it is invalid and may not be implemented, performed, or enforced.

(Emphasis added) (Footnotes omitted).

Throughout the reconventional demand, Optum refers to the contingent nature of the 2023 contract. Optum asserted that the compensation provision of the contract makes payment contingent on either an award by the appropriate court or settlement by a defendant; that the legislature has appropriated no funds for the payment of fees to private counsel; that the only party that can recover on the State’s petition is the State; that the Attorney General, in direct violation of the Louisiana Constitution, case law, and statutes has illegally retained Salim-Beasley to represent the State on a contingency fee basis under the 2023 contract for legal services; that the Louisiana Constitution prohibits the Attorney General from entering into contingency fee contracts with private attorneys absent express legislative authorization; that the 2023 contract is a contingency fee arrangement entered into without express legislative authority; that the 2023 contract is invalid under the Louisiana Constitution as explained in **Meredith**; that Louisiana statutory law also forbids contingency fee arrangements without express legislative approval; and that the 2023 contract directly and expressly contravenes Louisiana law by providing for a contingency fee absent express legislative approval.

As previously noted, the purpose of the peremptory exception raising the objection of no cause of action is not to determine whether the plaintiff will ultimately prevail at trial, but to only ascertain if a cause of action exists. No evidence may be introduced to support or controvert the exception of no cause of action, and herein, the court is confined to the four corners of the reconventional demand. See LSA-C.C.P. art. 931. Further, the court must presume all well-pleaded facts are true, must make all reasonable inferences in favor of the nonmoving party, and must resolve any doubts in favor of the reconventional demand's sufficiency. See **Midland Funding LLC**, 361 So.3d at 1026.

We recognize that Optum never directly used the specific phrase "contingency fee contract" in its reconventional demand. Further, while there is clearly an issue to be decided in this case as to whether the 2023 contract is a prohibited contingency fee contract, the judgment appealed comes before us on the grant of the peremptory exception raising the objection of no cause of action. Although it may be determined at a later date that the 2023 contract is not a true contingency fee contract, but is more akin to a fee shifting arrangement potentially grandfathered in by the 2014 amendments to LSA-R.S. 42:262, such analysis of the contract is inappropriate on an exception of no cause of action.

Therefore, given that the reconventional demand repeatedly contains references to the 2023 contract as a contingency arrangement violative of **Meredith**, and given that we must resolve any doubts in favor of the reconventional demand's sufficiency, we are constrained to find that Optum has stated a cause of action in its reconventional demand.¹⁵ Accordingly, after careful consideration, we conclude that the trial court erred in sustaining the peremptory exception raising the objection of no cause of action.

CONCLUSION

For the foregoing reasons, we reverse the trial court's February 7, 2024 judgment, that sustained the peremptory exception raising the objection of no cause of action filed by the State of Louisiana through the Honorable Elizabeth Murrill, Attorney General, in response to the reconventional demand filed by OptumRx, Inc. and United Healthcare of

¹⁵ Even were we to find that the magic words "contingency fee contract" were required, the appropriate remedy would be an opportunity to amend, and not dismissal with prejudice. See LSA-C.C.P. art. 934.

Louisiana, Inc. d/b/a United Healthcare Community Plan, and dismissed with prejudice their claim for a declaratory judgment regarding the unconstitutionality of the contract for attorney fees. We remand the matter to the trial court for further proceedings. All costs of this appeal in the amount of \$7,521.00 are assessed to the State of Louisiana, through the Honorable Elizabeth Murrill, Attorney General.

REVERSED AND REMANDED.