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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

INLAND NORTHWEST RENAL CARE
GROUP, LLC,

Plaintiff,

v.

WEBTPA EMPLOYER SERVICES, LLC
et al. et al.,

Defendants.

Case No. C19-1758-JCC-SKV

ORDER GRANTING UNOPPOSED
MOTION FOR LEAVE TO AMEND
FIRST AMENDED COMPLAINT AND
FOR RELIEF FROM AMENDED
PLEADINGS DEADLINE

I. INTRODUCTION

This action arises out of Defendant WebTPA Employer Services, LLC’s alleged failure to reimburse Plaintiff Inland Northwest Renal Care Group, LLC at the applicable network rate for dialysis and related services Plaintiff provided to Patient X pursuant to Defendant First Choice Health Network, Inc.’s healthcare network. Currently before the Court is Plaintiff’s Unopposed Motion for Leave to Amend First Amended Complaint and for Relief from Amended Pleadings Deadline, Dkt. 63. Having considered the Motion, the case record, and the governing law, the Court GRANTS the Motion for the reasons explained herein.

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II. BACKGROUND

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2 Plaintiff provides dialysis services to patients with end stage renal disease and is a
3 participating provider in Defendant First Choice’s healthcare network. Dkt. 22 at ¶ 4.5; Dkt. 63
4 at 3. Plaintiff’s network contract with Defendant First Choice states that “[r]eimbursement for
5 Outpatient Dialysis and Related Services shall be [at the Network Rates].” Dkt. 22 at ¶ 4.11.
6 Defendant WebTPA is a third-party administrator of health plans, including the health plan
7 issued to Patient X. Dkt. 63 at 3. Defendant WebTPA’s network contract with Defendant First
8 Choice states that Defendant WebTPA “shall process Clean Claims and produce any Explanation
9 of Benefits (EOB) in accordance with [Network] Provider fee schedules.” *Id.*

10 In September 2017, Patient X sought dialysis treatment from Plaintiff. Dkt. 22 at ¶ 4.37.
11 Patient X presented his insurance card—which displayed Defendant First Choice’s logo—to
12 Plaintiff, thereby “triggering [Plaintiff’s] contractual obligation to treat Patient X.” Dkt. 63 at 3;
13 *see also* Dkt. 22 at ¶ 4.38. Plaintiff provided treatment to Patient X and sought reimbursement
14 from Defendant WebTPA at the network rate. Dkt. 63 at 3. Plaintiff alleges that despite
15 Defendant WebTPA’s contractual obligations, it refused to reimburse Plaintiff at this rate. *Id.*;
16 Dkt. 22 at ¶¶ 4.43–4.44. Instead, it only paid Plaintiff “Medicare Like Rates,” purportedly due to
17 the existence of certain federal health programs provided to American Indians under
18 circumstances which Plaintiff alleges are inapplicable here. Dkt. 63 at 3; Dkt. 22 at ¶¶ 11.2–
19 11.3.

20 Plaintiff filed this lawsuit in September 2019 in King County Superior Court against
21 Defendant WebTPA for breach of contract, breach of the implied covenant of good faith and fair
22 dealing, promissory estoppel, breach of implied-in-fact contract, and declaratory judgment,
23 seeking to enforce Defendant WebTPA’s alleged obligation to reimburse Plaintiff at the network

1 rate. *See* Dkt. 1-1. On October 30, 2019, Defendant WebTPA removed the action to this Court.
2 *See* Dkt. 1. In November 2019, Plaintiff amended its Complaint to bring a number of contractual
3 and quasi-contractual claims against Defendant First Choice. *See* Dkt. 22. Subsequently, in
4 December 2019, Defendant WebTPA moved to dismiss the First Amended Complaint. *See* Dkt.
5 25. In April 2020, the Court denied Defendant WebTPA’s Motion. *See* Dkt. 45.

6 Since that time, the parties have been engaged in discovery. Dkt. 63 at 4. In response to
7 requests for production served on it by Plaintiff, Defendant WebTPA began producing
8 documents in June 2021. Dkt. 64 at ¶ 9. Most recently, on September 10, 2021, it produced
9 approximately 5,000 documents to Plaintiff. *Id.* As a result of Defendant WebTPA’s document
10 productions, Plaintiff discovered facts it alleges support a negligence claim against Defendant
11 WebTPA. *Id.* at ¶ 12; Dkt. 63 at 5. Plaintiff now moves the Court for leave to file a second
12 amended complaint to assert a claim for negligence against Defendant WebTPA. *See* Dkt. 63.

13 The original Case Scheduling Order in this matter was entered on March 11, 2020, and
14 set a June 5, 2020, deadline for amending pleadings. *See* Dkt. 43. That deadline was
15 subsequently extended to December 4, 2020, via an amended Case Scheduling Order issued on
16 October 9, 2020. *See* Dkt. 53. The Court issued two subsequent amended Case Scheduling
17 Orders on March 16, 2021, *see* Dkt. 56, and August 25, 2021, *see* Dkt. 61; however, because the
18 deadline to amend pleadings had already passed when those Orders were issued, neither included
19 an amended pleadings deadline. Plaintiff’s present Motion therefore comes after the expiration
20 of the amended pleadings deadline.

21 III. DISCUSSION

22 When, as here, a party moves to amend a pleading after the case scheduling order’s
23 deadline for doing so has passed, the Court must first determine whether there is “good cause” to

1 amend the case scheduling order under Federal Rule of Civil Procedure 16(b). *Johnson v.*
2 *Mammoth Recreations, Inc.*, 975 F.2d 604, 608 (9th Cir. 1992); Fed. R. Civ. P. 16(b)(4). Rule
3 16(b)'s good cause standard "primarily considers the diligence of the party seeking the
4 amendment." *Johnson*, 975 F.2d at 609. In other words, "[t]he district court may modify the
5 scheduling order 'if it cannot reasonably be met despite the diligence of the party seeking the
6 extension.'" *Id.* (quoting Fed. R. Civ. P. 16 Advisory Comm. Notes (1983 amendment)). If the
7 party seeking the extension "was not diligent," then good cause does not exist and the inquiry
8 should end. *Id.* But if the Court determines that good cause exists, it must next assess whether
9 the proposed amendment is proper under Rule 15(a). *Id.* at 608.

10 Here, Plaintiff has acted with sufficient diligence and thus has established good cause to
11 amend the Case Scheduling Order under Rule 16(b). Plaintiff has actively pursued its claims
12 against Defendants, including by timely engaging in the discovery process. Dkt. 64 at ¶¶ 7–8.
13 Through that process, but after the deadline to amend pleadings had already passed, Defendant
14 WebTPA produced documents which allegedly support a negligence claim against it. *Id.* at ¶¶ 9,
15 12. Shortly after receiving and reviewing those documents, Plaintiff filed the present Motion
16 seeking relief from the amended pleadings deadline, further demonstrating its diligence in
17 pursuing this matter. Accordingly, Plaintiff has established good cause to amend the Case
18 Scheduling Order to permit it to assert a negligence claim against Defendant WebTPA.
19 *Compare Rain Gutter Pros, LLC v. MGP Mfg., LLC*, No. C14–0458-RSM, 2015 WL 6030678,
20 at *2 (W.D. Wash. Oct. 15, 2015) (granting relief from case scheduling order deadline for
21 joining additional parties when moving party did not have the evidence which formed the basis
22 of its requested amendment at the time the case scheduling order deadline expired), *with Nat'l*
23 *Prod. Inc. v. Arkon Res., Inc.*, No. C15-1553-RSL, 2016 WL 9224046, at *4 (W.D. Wash. Nov.

1 8, 2016) (denying relief from case scheduling order deadline for amending pleadings when
2 moving party claimed opposing party was at fault for failing to produce relevant documents, but
3 the documents in question were either publicly available or not explicitly requested by the
4 moving party in discovery), and *Precor Inc. v. Fitness Quest, Inc.*, No. C05-0993L, 2007 WL
5 136749, at *1 (W.D. Wash. Jan. 12, 2007) (denying relief from case scheduling order deadline
6 for amending pleadings when moving party claimed opposing party had withheld necessary
7 information, but the information in question had been disclosed to the moving party months
8 prior). Such amendment will create “no meaningful case management issues” and relies on the
9 “factual record already developed.” *C.F. ex rel. Farnan v. Capistrano Unified School District*,
10 654 F.3d 975, 984 (9th Cir. 2011) (affirming finding of good cause to amend case scheduling
11 order because amendment “did not ‘infringe on the efficient adjudication’ of the litigation”).

12 Moreover, Plaintiff’s proposed amendment is proper under Rule 15(a). Under that Rule,
13 a court should “freely give leave [to amend] when justice so requires.” Fed. R. Civ. P. 15(a)(2).
14 This policy is to be “applied with extreme liberality.” *Eminence Capital, LLC v. Aspeon, Inc.*,
15 316 F.3d 1048, 1051 (9th Cir. 2003). Courts consider several factors in weighing whether leave
16 to amend should be granted, including undue delay, bad faith or dilatory motive on the part of
17 the moving party, failure to cure deficiencies in previous amendments, undue prejudice to the
18 opposing party, and futility. *Id.* at 1052. Prejudice to the opposing party is the most important
19 factor—“[a]bsent prejudice . . . there exists a presumption under Rule 15(a) in favor of granting
20 leave to amend.” *Id.*; *Howey v. U.S.*, 481 F.2d 1187, 1190 (9th Cir. 1973) (“Unless undue
21 prejudice to the opposing party will result, a trial judge should ordinarily permit a party to amend
22 its complaint.”). “The party opposing amendment bears the burden of showing prejudice.” *DCD*
23 *Programs, Ltd. v. Leighton*, 833 F.2d 183, 187 (9th Cir. 1987).

1 The aforementioned factors weigh in favor of permitting amendment. Doing so will not
2 cause undue delay, as the negligence claim arises out of the same set of operative facts as the
3 existing claims, Dkt. 63 at 6–7, and discovery does not close until March 2022, *see* Dkt. 61,
4 enabling the parties to further pursue relevant discovery as needed. Moreover, there is no
5 evidence that Plaintiff is acting in bad faith or with a dilatory motive and no party, including
6 Defendant WebTPA, opposes amendment, Dkt. 64 at ¶ 13, indicating no party will suffer
7 prejudice. Plaintiff has therefore met Rule 15(a)’s “extremely liberal” standard for amendment.
8 Its Motion for leave to amend the First Amended Complaint to assert a negligence claim against
9 Defendant WebTPA is therefore GRANTED.

10 IV. CONCLUSION

11 For the foregoing reasons, Plaintiff’s Unopposed Motion for Leave to Amend First
12 Amended Complaint and for Relief from Amended Pleadings Deadline, Dkt. 63, is GRANTED.
13 Plaintiff is directed to file and serve its Second Amended Complaint on all parties within
14 **fourteen (14) days** of the date of this Order. The Clerk is directed to send copies of this Order
15 to the parties and to the Honorable John C. Coughenour.

16 Dated this 31st day of January, 2022.

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20 S. KATE VAUGHAN
21 United States Magistrate Judge
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