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IN THE COURT OF COMMON PLEAS
OF LEHIGH COUNTY, PENNSYLVANIA
CIVIL DIVISION

LEHIGH VALLEY HOSPITAL d/b/a LEHIGH VALLEY PHARMACY SERVICES, 2024 Lehigh Street, Suite 600 Allentown, PA 18103, Plaintiff, v. HIGHMARK INC., 120 5th Avenue # 5 Pittsburgh, PA 15222-3000, Defendant.	: : : : : : : : : : : : : :	Civil Action No. JURY TRIAL DEMANDED

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You have been sued in court. If you wish to defend against the claims set forth in the following pages, you must take action within twenty (20) days after this complaint and notice are served, by entering a written appearance personally or by attorney and filing in writing with the court

your defenses or objections to the claims set forth against you. You are warned that if you fail to do so the case may proceed without you and a judgment may be entered against you by the court without further notice for any money claimed in the complaint of for any other claim or relief requested by the plaintiff. You may lose money or property or other rights important to you.

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COMPLAINT

Highmark Inc. ("Highmark") is refusing to allow Lehigh Valley Hospital d/b/a Lehigh Valley Pharmacy Services ("Lehigh Valley Pharmacy"), the specialty pharmacy operated by Lehigh Valley Health Network ("LVHN"), to dispense a broad range of high-cost, self-administered specialty medications to Highmark members—including LVHN's own patients—

even though Lehigh Valley Pharmacy is a participating provider under its written contract with Highmark. Instead, Highmark routes those prescriptions to other pharmacies, including Allegheny Health Network ("AHN") Specialty Pharmacy, a subsidiary of Highmark Health. Highmark Health is the parent company of both Highmark Inc. and AHN Specialty Pharmacy. In short, Highmark is using its power as Lehigh Valley Pharmacy's payer to take valuable specialty prescriptions away from Lehigh Valley Pharmacy and redirect them to other pharmacies, including Highmark's own pharmacy business.

Highmark and Lehigh Valley Pharmacy are parties to a Highmark Provider Agreement (the "Agreement") effective September 25, 2023.[1] Under the Agreement, Lehigh Valley Pharmacy extends substantial discounts on a broad range of specialty pharmacy medications it dispenses to Highmark members. The pharmacy is able to offer these substantial discounts in exchange for Highmark's classification of the pharmacy as a participating provider. Highmark and other payers design their products with benefit structures that incentivize Highmark members to utilize participating providers, which in turn, allows participating providers to offer deeper discounts to Highmark members across a wide range of plans and health insurance products than they would if those benefit structures were not in place. However, in order to ensure that Highmark's promise to designate Lehigh Valley Pharmacy as a participating provider is not illusory and warrants the extension of the substantial level of discount the pharmacy extends to Highmark, the Agreement

[1] Pennsylvania Rule of Civil Procedure 1019(i) generally requires that a copy of a written agreement on which a claim is based be attached to the pleading. Given the confidentiality provisions in the Agreement, Lehigh Valley Pharmacy is not attaching the Agreement, the Rider, or the Amendment to this Complaint. Lehigh Valley Pharmacy will, however, supply copies to Highmark (which already has copies because it is the contractual counterparty), and will supply copies to the Court for in camera review, if requested. To the extent Highmark demands that the contracts be attached to the Complaint, Lehigh Valley Pharmacy will seek to file them under seal.

contains a critical anti-tiering protection: Section 5.2.2 provides that Highmark may designate Lehigh Valley Pharmacy "to a specific value level of benefits and/or differential benefit tier for a Product" only "***[b]y amendment to this Agreement***." No such amendment has ever been executed. Section 11.1 of the Agreement further requires that any amendment be by mutual written consent. These provisions guaranteed Lehigh Valley Pharmacy that its network status and access to Highmark members would not be unilaterally downgraded.

Nevertheless, beginning in or around the summer of 2024, Highmark systematically relegated Lehigh Valley Pharmacy to a disfavored benefit tier. Highmark designated numerous high-cost, self-administered specialty medications as "closed specialty" and routed those prescriptions away from Lehigh Valley Pharmacy to other pharmacies—including to AHN Specialty Pharmacy, Highmark's own pharmacy—thereby preventing Lehigh Valley Pharmacy from dispensing those drugs to LVHN patients who are Highmark members. These "closed specialty" designations had no basis in the Agreement. The Agreement's Payment Exhibit contained a defined list of "Specialty Medication Excluded Services"—specific infusion drugs identified by Healthcare Common Procedure Coding System (HCPCS) code (hemophilia and coagulation-factor medications)—from which Lehigh Valley Pharmacy was excluded. Self-administered specialty medications were not on that list. Highmark's separate, unilateral imposition of a "closed specialty" designation on self-administered drugs operated as a *de facto* benefit-tier demotion: it created a two-tier system in which other pharmacies (including Highmark's own affiliates) could dispense these medications while Lehigh Valley Pharmacy, though nominally a "participating provider," was functionally excluded. This is precisely the kind

of tiering that Section 5.2.2 prohibits without a written amendment—an amendment that was never sought, negotiated, or executed.

Highmark's improper tiering has caused substantial and ongoing harm. Lehigh Valley Pharmacy has lost the ability to dispense a broad range of specialty medications it previously filled for LVHN patients, resulting in significant lost revenue, margin, and patient volume. Highmark's conduct has disrupted care for LVHN patients through therapy gaps, medication delays, increased out-of-pocket costs, loss of integrated clinical support, and disruption of long-standing therapeutic relationships—including cancer patients experiencing treatment delays and patients with chronic conditions losing access to patient-assistance programs that Lehigh Valley Pharmacy had coordinated on their behalf.

Highmark's conduct is a textbook example of an insurer using one side of its business to advantage the other. Highmark controls which pharmacies may fill its members' specialty prescriptions, and it also owns a specialty pharmacy that competes with Lehigh Valley Pharmacy for those same prescriptions. By designating drugs as "closed specialty" and routing those prescriptions away from Lehigh Valley Pharmacy—including to its own pharmacy—Highmark has used its control as a payer to benefit its own pharmacy operations, at the expense of Lehigh Valley Pharmacy and the patients it serves.

The Agreement provides a limited mechanism for changing the contractual Specialty Medication Excluded Services list. Specifically, under the Payment Exhibit, Highmark could add or delete pharmaceuticals from that contractual list upon thirty (30) days' written notice. That mechanism was limited to the listed Payment Exhibit exclusions and did not authorize Highmark to create a separate, undisclosed "closed specialty" list or to exclude Lehigh Valley Pharmacy from

dispensing self-administered specialty drugs to LVHN patients. Even if Highmark had given thirty (30) days' written notice, that mechanism could not have authorized what Highmark did: it permits additions to and deletions from the list of excluded products, not the creation of a two-tier network in which other pharmacies, including Highmark's own, may dispense a drug that Lehigh Valley Pharmacy may not. In any event, Highmark gave no such notice.

Lehigh Valley Pharmacy therefore sues Highmark for breach of contract, declaratory judgment, and specific performance, and in support avers as follows:

PARTIES

1. Lehigh Valley Health Network ("LVHN") is a major health system, now part of Jefferson Health, serving patients throughout the Lehigh Valley and northeastern Pennsylvania.

2. Plaintiff Lehigh Valley Hospital d/b/a Lehigh Valley Pharmacy Services ("Lehigh Valley Pharmacy") is a fully staffed, clinically integrated, and dually accredited specialty pharmacy operated by LVHN. Lehigh Valley Pharmacy's principal place of business is located at 2024 Lehigh Street, Suite 600, Allentown, PA 18103.

3. Lehigh Valley Hospital is a nonprofit corporation incorporated under the laws of Pennsylvania.

4. Defendant Highmark Inc. ("Highmark") is a health insurer that administers commercial health plans in Pennsylvania. Highmark's principal place of business is located at 120 5th Avenue # 5, Pittsburgh, PA 15222-3000.

5. Highmark Inc. is a nonprofit corporation incorporated under the laws of Pennsylvania.

JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction over this lawsuit pursuant to 42 Pa. C.S. § 931(a) and has personal jurisdiction over Highmark pursuant to 42 Pa. C.S. § 5301(a).

7. Venue is proper in this jurisdiction pursuant to Pennsylvania Rules of Civil Procedure 1006 and 2179, *inter alia*, because the cause of action arose, and a transaction or occurrence took place out of which the cause of action arose, in Lehigh County. The amount in controversy exceeds $50,000, exclusive of interest and costs.

RELEVANT CONTRACTUAL PROVISIONS

8. Highmark and Lehigh Valley Pharmacy entered into the Agreement, a written agreement, with an effective date of September 25, 2023. *See* Exhibit 1. The Agreement includes a Payment Exhibit for Specialty Pharmacy Provider services.

9. Pursuant to the Agreement, Lehigh Valley Pharmacy provides specialty pharmacy services to Highmark members in exchange for payment of those specialty pharmacy services. The Agreement applies to Lehigh Valley Pharmacy specialty pharmacy services related to infusion medications and self-administered medications. Infusion drugs are administered via infusion at a hospital, clinic, in the home (home infusion) or specialized infusion center.

10. Section 2.20 defines "Provider Services" as the services, goods, and/or supplies customarily furnished by Provider to patients and described in the Agreement. Lehigh Valley Pharmacy's specialty pharmacy dispensing of specialty medications falls within that description unless the service is expressly excluded under the Agreement's contractual exclusion mechanism as set forth in ¶ 11.

11. The Agreement distinguishes between Covered Services and the limited contractual category of Excluded Services. The Agreement's Provider Attachment, Section 2.1, defines "Excluded Services" as "services that may otherwise constitute Provider Services but are described as Excluded Services on the Payment Exhibit(s) and updated in accordance with the terms and conditions of this Attachment." The definition makes the Payment Exhibit determinative of whether an exclusion exists; it does not authorize a separate undisclosed list of exclusions maintained outside the Agreement.

12. Section 5.2.2 of the Agreement, the anti-tiering provision, provides: "***By amendment to this Agreement only***, Highmark and/or Health Plan may designate Provider to a specific value level of benefits and/or differential benefit tier for a Product." (emphasis added)

13. Section 11.1 of the Agreement provides that the Agreement may only be amended by mutual written consent.

14. Section 11.4 of the Agreement provides that the Agreement is the entire agreement between the parties.

15. The original Payment Exhibit to the Agreement contains a list of "Specialty Medication Excluded Services."

16. The original Payment Exhibit identified the excluded products by HCPCS code and described them as "excluded infusion products," consisting of hemophilia and coagulation-factor medications. It did not identify as excluded medications the self-administered specialty drugs later designated by Highmark as "closed specialty." The Payment Exhibit says that "Highmark may, from time to time, add or delete pharmaceuticals from the excluded infusion products listed …, upon thirty (30) days written notice to Provider."

17. On September 25, 2023, the parties executed a Rider to the Highmark Provider Agreement (the "Rider") that established a bidding framework administered through Free Market Health LLC ("FMH"), which is a third-party company that provides for real-time web-based bidding and pricing for specialty pharmaceuticals. The Rider expressly states: "All other terms of the Underlying Agreement shall remain in full force and effect." *See* Exhibit 2.

18. The Rider's recitals describe FMH as a "bidding and pricing platform." The Rider does not authorize tiering or exclusion of Lehigh Valley Pharmacy from any specialty pharmacy services.

19. The Rider addressed only the mechanics of bidding and pricing for eligible Covered Services. It provided that the FMH platform would set the Plan Allowance for Covered Services eligible for the platform and that Highmark would continue to pay for non-FMH Covered Services under the underlying Agreement. It did not amend the Payment Exhibit's Excluded Services list or authorize Highmark to create a separate closed-specialty exclusion.

20. Effective January 1, 2025, the parties entered into an Amendment to the Highmark Provider Agreement (Specialty Pharmacy) ("Amendment"). *See* Exhibit 3. The Amendment added a new Payment Exhibit that provided for an updated payment rate for specialty pharmacy services to Highmark members. The Amendment also provided an updated list of medications that Highmark considered to be "excluded." All of the medications on the amended Payment Exhibit are infusion drugs. The Amendment provides that Highmark may add or delete pharmaceuticals from the excluded products upon thirty days written notice to Lehigh Valley Pharmacy.

21. The January 1, 2025 Amendment replaced the Payment Exhibit but maintained the same structure: it defined Excluded Services by reference to the Payment Exhibit, identified only excluded infusion products, and retained the thirty-day written-notice mechanism for adding or deleting pharmaceuticals from that contractual list. The Amendment did not add self-administered specialty drugs to the contractual Excluded Services list or authorize a separate "closed specialty" list.

22. Accordingly, the Agreement's contractual Excluded Services list and Highmark's separate "closed specialty" designation are materially different. The former was disclosed in the Payment Exhibit and subject to the contractual notice mechanism; the latter was applied unilaterally to self-administered specialty drugs and operated as an undisclosed "shadow" exclusion without a written amendment, consent, or the notice required for a change to the contractual list.

23. The thirty-day notice mechanism permits Highmark only to add pharmaceuticals to, or delete pharmaceuticals from, the contractual list of excluded products on the Payment Exhibit.

24. The thirty-day notice mechanism does not permit Highmark to designate Lehigh Valley Pharmacy to a disfavored benefit tier, which Section 5.2.2 permits only by written amendment.

25. Highmark's "closed specialty" designation does not simply remove a drug from Lehigh Valley Pharmacy's contractual services; instead, it allows other pharmacies, including Highmark-affiliated pharmacies, to dispense the drug to Highmark members while barring Lehigh Valley Pharmacy from doing so.

26. Accordingly, even if Highmark had provided thirty days' written notice, the notice mechanism would not have authorized the "closed specialty" designation.

27. In the alternative, to the extent the "closed specialty" designation is construed as a change to the contractual Excluded Services list, Highmark failed to provide the required thirty (30) days' written notice, and Lehigh Valley Pharmacy was damaged by each prescription diverted

from it from at least the summer of 2024 until the date, if any, on which Highmark provided written notice satisfying the Payment Exhibit as to each affected drug.

28. No written amendment to the Agreement has been executed permitting Highmark to designate Lehigh Valley Pharmacy to a disfavored benefit tier.

HIGHMARK'S EXCLUSION AND WRONGFUL TIERING OF LEHIGH VALLEY PHARMACY

29. Highmark occupied—and continues to occupy—a dual role in the transactions at issue. Highmark is Lehigh Valley Pharmacy's payer under the Agreement, but, on information and belief, it also competes with Lehigh Valley Pharmacy through wholly owned pharmacy operations, including AHN Specialty Pharmacy. That dual role creates an inherent conflict of interest: Highmark controlled the rules and routing of covered prescriptions while its affiliated pharmacy operations stood to receive the business diverted from Lehigh Valley Pharmacy. Highmark has used its control over the payer side of its business to advantage the provider side of its business.

30. The exclusion at issue is not the contractual Excluded Services list. That list appeared on the Payment Exhibit and originally covered a limited list of infusion drugs only.

31. Instead, Lehigh Valley Pharmacy is challenging a "closed specialty" list, which is a separate, evolving Highmark designation applied to self-administered specialty drugs, and which was not part of the Agreement or its Payment Exhibit.

32. On information and belief, this "closed specialty" list has been used by Highmark to prevent Lehigh Valley Pharmacy from dispensing those drugs and from bidding for them through FMH.

33. Prior to September 2023, Lehigh Valley Pharmacy was able to dispense to LVHN patients certain self-administered medications without having to do so through a bidding platform.

34. Lehigh Valley Pharmacy contracted with FMH to participate in the bidding process. The FMH Rider was understood by Lehigh Valley Pharmacy to enable Lehigh Valley Pharmacy

to compete for specialty pharmacy referrals on a level playing field, not to serve as a vehicle for redirecting patients away from Lehigh Valley Pharmacy.

35. FMH also operates a "non-dispensing" pharmacy to which prescriptions are routed prior to pharmacy assignment.

36. Importantly, even after the bidding framework was established in September 2023, Lehigh Valley Pharmacy was still able to fill certain self-administered medications to certain LVHN patients outside of the bidding process.

37. For nearly a year after the execution of the Rider, from approximately September 2023 through the summer of 2024, Lehigh Valley Pharmacy was able to compete for referrals on FMH without the broad exclusion later imposed by Highmark**.**

38. Beginning in the summer of 2024, Lehigh Valley Pharmacy began to notice that patients it previously served were required to fill their medications at another pharmacy. At the same time, Lehigh Valley Pharmacy noticed a decline in the availability of prescription referrals for self-administered drugs for LVHN patients available to bid on the FMH bidding platform.

39. On multiple occasions, Lehigh Valley Pharmacy asked Highmark to explain why Lehigh Valley Pharmacy was unable to bid on many specialty drugs that it had previously been able to bid on through FMH.

40. Highmark informed Lehigh Valley Pharmacy that certain drugs are designated "closed specialty" and are unavailable on FMH for competitive bidding.

41. For the self-administered medications designated by Highmark as "closed specialty," Lehigh Valley Pharmacy can no longer dispense those medications to LVHN patients and appears to be excluded from the bidding process entirely. On information and belief, these

prescriptions are automatically assigned to other pharmacies upon medication approval. Lehigh Valley Pharmacy is excluded before any competitive process begins.

42. The "closed specialty" medications are high-cost, self-administered drugs for chronic diseases that span multiple therapeutic categories, including but not limited to:

a. **Oncology:** Kisqali (breast cancer), Brukinsa (lymphoma), Xtandi (prostate cancer), Tagrisso (lung cancer), Xeloda (various cancers), Venclexta (chronic lymphocytic leukemia)

b. **Rheumatology/Immunology:** Humira, Enbrel, Xeljanz, Rinvoq, Orencia, Tremfya, Skyrizi, Simlandi (autoimmune and inflammatory conditions)

c. **Neurology:** Vumerity (multiple sclerosis)

d. **Pulmonology/Allergy:** Dupixent, Xolair, Nucala (allergic and inflammatory reactions)

e. **Dermatology:** Tremfya (psoriasis)

f. **Hematology:** Promacta (thrombocytopenia)

43. Additionally, Highmark informed Lehigh Valley Pharmacy that many self-insured and Administrative Services Only ("ASO") plans (i.e., self-funded plans that Highmark administers) do not participate in FMH at all. Highmark did not disclose this when the Agreement was signed. Highmark has refused to provide Lehigh Valley Pharmacy with the list of employer groups whose plans allegedly do not participate in FMH.

44. The result is that Lehigh Valley Pharmacy is listed as a participating provider in Highmark's network, but Highmark's shadow "closed specialty" list prevents Lehigh Valley Pharmacy from dispensing a broad range of self-administered specialty medications to Highmark

members and prevents Lehigh Valley Pharmacy from competing for those prescriptions through FMH.

45. This effectively creates a two-tier system: one tier of pharmacies that can actually dispense the medications, including Highmark-affiliated pharmacies, and a second tier consisting of Lehigh Valley Pharmacy, which is nominally "participating" but is functionally excluded—all without the written amendment required by Section 5.2.2 or the contractual notice applicable to the Payment Exhibit's Excluded Services list.

46. Highmark did not provide notice of a "closed list" of self-administered medications until July 2025, when Lehigh Valley Pharmacy escalated the issue to Highmark management. By that time, Highmark had been diverting "closed specialty" prescriptions away from Lehigh Valley Pharmacy for approximately one year.

47. Highmark's exclusion of Lehigh Valley Pharmacy imposes a significant administrative burden on Lehigh Valley Pharmacy and creates documented patient harm.

48. Due to the lack of transparency caused by Highmark's exclusion of Lehigh Valley Pharmacy, neither the prescribing provider nor the patient is informed of the actual pharmacy assignment during the routing process. LVHN physicians cannot tell their patients where their medication comes from, patients receive calls from unknown pharmacies, and different medications for the same patient are routed to different pharmacies. Lehigh Valley Pharmacy cannot proactively coordinate care for patients whose specialty medications are handled elsewhere.

49. The following twelve example patient cases illustrate the impact of Highmark's opaque and dysfunctional system on patients:

a. A cancer patient with neuroendocrine carcinoma was prescribed Xeloda and repeatedly expressed urgency for medication. Despite prior authorization approval on April 6, 2026 and triage to FMH Pharmacy on April 7, the medication was not dispensed until 10 days later. The patient's oncologist documented "pharmacy delay in starting new cycle"—reflecting a clinical documentation of harm caused by the routing process in an active cancer case.

b. A patient with ankylosing spondylitis (inflammatory arthritis) prescribed Enbrel experienced 8+ days without medication due to routing confusion and expressed confusion about pharmacy assignment. The clinic left messages with FMH, but often no live support was available. There were multiple contacts between the clinic, FMH, and the patient without resolution.

c. A patient with thrombocytopenia (low blood platelet count) prescribed Promacta had been previously filling at Lehigh Valley Pharmacy since March 2021 (a 3+ year relationship). There was a 2-week therapy gap after Highmark redirected the prescription away from Lehigh Valley Pharmacy, meaning a critical medication for a blood disorder was delayed for 14 days.

d. A patient with Crohn's disease prescribed Tremfya experienced copay card issues due to the pharmacy change, and multiple contacts between the patient, the clinic, and CVS (the assigned pharmacy) were required to resolve the issue. The patient experienced drug side effects without Lehigh

Valley Pharmacy clinical support, demonstrating a loss of integrated care coordination when patients are routed to external pharmacies.

e. A patient with Crohn's disease prescribed Skyrizi was told that his prescription was "canceled," which was incorrect information due to routing confusion. The clinic had to call FMH to confirm the actual pharmacy assignment, and the patient received conflicting information about medication status.

f. A patient with psoriatic arthritis prescribed Simlandi endured four months of routing confusion, during which the prescription was sent to four different pharmacies during the routing process. The patient ran out of injections.

g. A patient with inflammatory arthritis prescribed Humira experienced a four-week therapy gap. Humira is a biologic requiring consistent dosing; a 4-week gap may trigger antibody development that can reduce the medication's efficacy.

h. A patient with psoriatic arthritis prescribed Xeljanz had been previously filling at Lehigh Valley Pharmacy since December 2019 (a 5-year relationship). There was a one-week therapy gap after the routing change, and the patient reported that "joint pain and stiffness has all returned."

i. A breast cancer patient prescribed Kisqali was instructed by the clinic to "answer all unknown calls"—reflecting the opacity of the pharmacy assignment process. Lehigh Valley Pharmacy could not assist with out-of-

pocket costs or patient assistance funding (which Lehigh Valley Pharmacy routinely helps navigate). The patient also later experienced side effects without Lehigh Valley Pharmacy clinical support.

j. A patient with chronic lymphocytic leukemia prescribed Venclexta had been previously filling at Lehigh Valley Pharmacy since November 2022 at $0 copay because of a patient assistance program. The prescription was transferred through three external pharmacies: Accredo, then Onco360, then Optum. A new copay of $3,179 was imposed after the external pharmacy could not navigate assistance programs like Lehigh Valley Pharmacy could.

k. A patient with rheumatoid arthritis prescribed Xeljanz was told by Highmark that Lehigh Valley Pharmacy could fill the prescription one time and then it needed to be transferred to CVS Pharmacy. The next day, Lehigh Valley Pharmacy received a notification from FMH that the patient was assigned to AHN Specialty Pharmacy, which (on information and belief) is owned by Highmark. Based on the patient's insurance information, the patient has the Highmark Flex Blue Plan, which is a joint product between LVHN and Highmark.

l. A LVHN employee with cancer prescribed Relugolix and Nebequa had used Lehigh Valley Pharmacy to fill his prescriptions for two cancer drugs for years. Upon retirement, he moved his benefits to Highmark. Highmark required him to use two different pharmacies for the medications. He attempted to get an exception to continue to have the prescriptions filled at

Lehigh Valley Pharmacy to avoid disruption in his cancer therapy, but Highmark would not allow him to fill at Lehigh Valley Pharmacy.

50. These twelve cases—representing just a fraction of the patients affected—establish therapy gaps ranging from one week to more than four months, systemic routing failures, direct patient testimony of clinical deterioration, loss of financial assistance services that Lehigh Valley Pharmacy provides, disruption of long-standing therapeutic relationships, and cancer patients experiencing treatment delays.

LEHIGH VALLEY PHARMACY RAISES THE DISPUTE WITH HIGHMARK

51. Beginning in August 2024, Lehigh Valley Pharmacy representatives notified Highmark of Lehigh Valley Pharmacy's concerns that Highmark is depriving Lehigh Valley Pharmacy of the opportunity to submit bids to dispense specialty medications to LVHN patients or to otherwise dispense these medications. Highmark acknowledged the problem and deliberately chose not to remedy it.

52. LVHN and Lehigh Valley Pharmacy have fulfilled all conditions precedent, including pursuing mediation in accordance with Section 10.5 of the Agreement. The parties participated in mediation on August 25, 2026 but were unable to resolve the dispute.

53. Lehigh Valley Pharmacy has been damaged by Highmark's exclusion of Lehigh Valley Pharmacy from the ability to dispense self-administered specialty medications to Highmark members, both directly and through the FMH bidding process, including lost dispensing revenue, increased administrative costs, and disruption of patient relationships and care coordination. Lehigh Valley Pharmacy's damages are in the millions of dollars, are continuing to accrue, and will be proven at trial.

COUNT I – BREACH OF CONTRACT

54. Lehigh Valley Pharmacy incorporates by reference all preceding allegations as if fully set forth herein.

55. Lehigh Valley Pharmacy has fulfilled its obligations under the Agreement.

56. Highmark has breached the Agreement, as set forth more fully above, by, *inter alia*:

a. Unilaterally expanding the scope of "Excluded Services" beyond the contractual Excluded Services list on the Payment Exhibit to include self-administered specialty drugs, without any contractual authorization, amendment, or other valid modification of the Agreement;

b. Demoting Lehigh Valley Pharmacy to a disfavored benefit tier through the "closed specialty" list and thereby excluding Lehigh Valley Pharmacy from dispensing and bidding on self-administered specialty drugs, without the written amendment required by Section 5.2.2 of the Agreement;

c. Failing to provide the contractually required written notice of the "closed specialty" designations and of any purported change to the contractual Excluded Services list;

d. Routing prescriptions for self-administered specialty medications away from Lehigh Valley Pharmacy to other pharmacies, including Highmark-affiliated pharmacies such as AHN Specialty Pharmacy, thereby diverting revenue Lehigh Valley Pharmacy was entitled to earn and failing to pay Lehigh Valley Pharmacy for Covered Services it was authorized and prepared to provide;

e. Excluding Lehigh Valley Pharmacy from access to ASO plan members without prior notice or contractual authorization;

f. Breaching the implied duty of good faith and fair dealing, which governs Highmark's performance of the Agreement, including its exercise of any discretion in administering benefits and routing prescriptions, by designing and operating a system that excluded Lehigh Valley Pharmacy from dispensing self-administered specialty drugs to Highmark members while maintaining Lehigh Valley Pharmacy's nominal "participating" status and redirecting those prescriptions to other pharmacies, including Highmark's own, thereby depriving Lehigh Valley Pharmacy of the benefits reasonably expected under the Agreement; and

g. Effectively amending the Agreement without the mutual written consent required by Section 11.1 of the Agreement.

57. No written amendment to the Agreement has been executed permitting tiering of Lehigh Valley Pharmacy or exclusion of Lehigh Valley Pharmacy from the specialty pharmacy bidding process.

58. Highmark remains in breach despite having been given timely notice of its breaches and despite the parties' participation in mediation.

59. All conditions precedent to Lehigh Valley Pharmacy's right to performance under the Agreement have been met or waived.

60. Lehigh Valley Pharmacy has been damaged by Highmark's breach of the Agreement, as set forth above.

WHEREFORE, Lehigh Valley Hospital d/b/a Lehigh Valley Pharmacy Services respectfully requests that judgment be entered in its favor and against Highmark Inc. and that Lehigh Valley Pharmacy be awarded: (a) compensatory damages in an amount in excess of $50,000, to be proven at trial; (b) pre-judgment and post-judgment interest; (c) costs and reasonable attorneys' fees to the extent permitted by law or the Agreement; and (d) such other relief as the Court finds just and equitable.

COUNT II – DECLARATORY JUDGMENT AND INJUNCTIVE RELIEF

61. Lehigh Valley Pharmacy incorporates by reference all preceding allegations as if fully set forth herein.

62. Lehigh Valley Pharmacy brings this Count under the Declaratory Judgments Act, 42 Pa. C.S. §§ 7531–7541, which permits any person interested under a written contract to obtain a determination of any question of construction arising under the contract and a declaration of rights thereunder. *See* 42 Pa. C.S. § 7533. Declaratory judgments are equitable in nature. *See, e.g.*, *Building Ind. Ass'n of Lancaster Cnty. v. Manheim Twp.*, 710 A.2d 141, 146–47 (Pa. Commw. Ct. 1998).

63. An actionable, justiciable controversy exists between Lehigh Valley Pharmacy and Highmark as to whether Highmark breached the Agreement by unilaterally expanding the contractual Excluded Services list beyond the Payment Exhibit to include self-administered specialty drugs; creating and enforcing a separate, undisclosed "closed specialty" designation that excluded Lehigh Valley Pharmacy from dispensing and bidding on those drugs; routing the resulting prescriptions to other pharmacies, including Highmark-affiliated pharmacies; and treating those actions as a benefit-tier designation without the written amendment required by

Section 5.2.2. A further controversy exists as to whether Highmark may exclude Lehigh Valley Pharmacy from ASO plan members without contractual authorization.

64. Lehigh Valley Pharmacy contends that Highmark's actions violate the Agreement, while Highmark contends that they do not.

65. The parties require a determination of their respective rights and duties relating to the Agreement.

66. There is a substantial, continuing controversy between the parties of sufficient immediacy and reality as to warrant the issuance of a declaratory judgment. The controversy is not hypothetical or abstract but involves a definite and concrete dispute touching the legal relations of parties having adverse legal interests.

67. Lehigh Valley Pharmacy is in present and immediate need of a declaration of its rights with respect to these issues because Highmark's actions have created uncertainty regarding the parties' respective rights and obligations under the Agreement and under applicable law.

68. Absent a judicial declaration, Lehigh Valley Pharmacy will continue to suffer harm in the form of both lost revenues and administrative burden that is so significant that it could impact patient care and contribute to patient confusion regarding their pharmacy and treatment options.

69. Absent a declaration, Lehigh Valley Pharmacy would be forced to file a new lawsuit each time Highmark applies its "closed specialty" designation to a new patient, prescription, or drug, which would be inefficient for the parties and the Court.

70. Lehigh Valley Pharmacy is entitled to a declaration that: (a) the Agreement's "Excluded Services" are limited to services identified on the Payment Exhibit(s) and updated only through the contractual mechanism applicable to those exhibits; (b) Highmark may not unilaterally

expand the Excluded Services list beyond the Payment Exhibit(s) or create a separate "closed specialty" designation that excludes Lehigh Valley Pharmacy from self-administered specialty drugs without contractual authorization, required notice, and any written amendment required by the Agreement; (c) demoting Lehigh Valley Pharmacy to a disfavored benefit tier, including by removing drugs from the FMH bidding process, violates Section 5.2.2 absent a written amendment; and (d) Highmark may not route Covered Services to its affiliates or other pharmacies in a manner that defeats Lehigh Valley Pharmacy's contractual rights.

71. Lehigh Valley Pharmacy is further entitled to permanent injunctive relief enjoining Highmark from maintaining or implementing any "closed specialty" designation that exceeds the contractual Excluded Services list, excluding Lehigh Valley Pharmacy from dispensing or bidding on self-administered specialty drugs, or routing those prescriptions away from Lehigh Valley Pharmacy without the contractual authorization, notice, and amendment requirements described above.

WHEREFORE, Lehigh Valley Hospital d/b/a Lehigh Valley Pharmacy Services respectfully requests that judgment be entered in its favor and against Highmark Inc. and that the Court: (a) declare that Highmark may not unilaterally expand the Agreement's Excluded Services list beyond the Payment Exhibit(s) or create a separate "closed specialty" designation excluding Lehigh Valley Pharmacy from self-administered specialty drugs without contractual authorization, required notice, and any required written amendment, and enter the further declarations set forth above; (b) enter permanent injunctive and specific-performance relief requiring Highmark to remove the unauthorized designations and restore Lehigh Valley Pharmacy's ability to dispense and bid; and (c) grant such other relief as the Court finds just and equitable.

COUNT III – SPECIFIC PERFORMANCE

72. Lehigh Valley Pharmacy incorporates by reference all preceding allegations as if fully set forth herein.

73. Money damages alone are inadequate to compensate Lehigh Valley Pharmacy for Highmark's ongoing breach of the Agreement.

74. Specifically, money damages are inadequate because Highmark's breach causes ongoing and irreparable harm, including but not limited to:

a. Ongoing loss of patient relationships that, once disrupted, are difficult or impossible to restore, as patients establish at competing pharmacies and face significant barriers to switching back;

b. Ongoing patient harm, including therapy gaps, medication delays, increased out-of-pocket costs, and loss of the integrated clinical support that Lehigh Valley Pharmacy provides;

c. Continued operational harms and administrative burden on Lehigh Valley Pharmacy staff, who must attempt to coordinate care for patients whose medications are being routed to unknown external pharmacies; and

d. The public interest in ensuring that patients have access to their treating hospital's pharmacy, with its superior coordination of care, electronic health record integration, and clinical monitoring capabilities.

75. Absent specific performance, Lehigh Valley Pharmacy would be forced to bring a new action each time Highmark applies its "closed specialty" designation to a new patient or

prescription, and money damages awarded after the fact cannot restore the patient relationships and continuity of care lost in the interim.

76. Lehigh Valley Pharmacy seeks specific performance requiring Highmark to remove all "closed specialty" designations applied to self-administered specialty drugs that are not identified as Excluded Services on the applicable Payment Exhibit(s); restore Lehigh Valley Pharmacy's ability to receive, bid on, dispense, and be paid for prescriptions for those drugs for Highmark commercial members through FMH where applicable, and to dispense and be paid for such prescriptions outside FMH where services are not FMH-eligible; cease routing those prescriptions to other pharmacies, including Highmark-affiliated pharmacies; and provide Lehigh Valley Pharmacy with access to ASO plan members in accordance with the Agreement.

77. Specific performance is appropriate because the Agreement involves unique services and a unique contractual relationship that cannot be adequately compensated through money damages alone, including Lehigh Valley Pharmacy's long-standing therapeutic relationships with LVHN patients who are Highmark members.

WHEREFORE, Lehigh Valley Hospital d/b/a Lehigh Valley Pharmacy Services respectfully requests that this Court enter an order requiring Highmark Inc. to specifically perform its obligations under the Agreement by removing all unauthorized "closed specialty" designations for self-administered specialty drugs; restoring Lehigh Valley Pharmacy's ability to receive, bid on, dispense, and be paid for those prescriptions through FMH where applicable, and to dispense and be paid for such prescriptions outside FMH where services are not FMH-eligible; ceasing diversion of those prescriptions to other pharmacies, including Highmark-affiliated pharmacies; and restoring access to ASO plan members; and that Lehigh Valley Pharmacy be awarded (a) costs

and reasonable attorneys' fees to the extent permitted; (b) declaratory and permanent injunctive relief consistent with the foregoing; and (c) such other relief as the Court finds just and equitable.

Respectfully submitted,

COZEN O'CONNOR

November 10, 2026

By: */s/ Aaron Krauss*

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VERIFICATION

I, Allison Yudt, Enterprise Vice President, Managed Care Payer Relations & Contracting, do hereby state that I am authorized to make this Verification on behalf of Lehigh Valley Hospital d/b/a Lehigh Valley Pharmacy Services, and that the statements set forth in the foregoing Complaint are true and correct to the best of my knowledge, information and belief. I further state pursuant to Pennsylvania Rule of Civil Procedure 1024(b) that, upon reasonable investigation, I have been unable to determine which of the inconsistent facts which are pled in the alternative and/or in the hypothetical are true, but I reasonably believe that one set of the inconsistent facts is true.

I make this Verification subject to the penalties of 18 Pa. C.S. § 4904, relating to unsworn falsification to authorities.

Executed on November 9, 2026

Allison M Yudt