

## The Supreme Court - April 18, 2017

---

The Supreme Court of the United States issued decisions in two cases today:

**Coventry Health Care of Missouri, Inc. v. Nevils**, No. 16-149: The Office of Personnel Management (“OPM”) is authorized under the Federal Employees Health Benefits Act of 1959 (“FEHBA”), 5 U.S.C. §8901 *et seq.*, to contract with private carriers for federal employees’ health insurance. The contracts with private carriers that OPM negotiates provide for reimbursement and subrogation. Petitioner Coventry Health Care of Missouri has such a contract with OPM. Coventry paid medical expenses for respondent Jodie Nevils, who was injured in an automobile accident, and then sought a lien against the settlement proceeds Nevils recovered. Nevils filed a class action in Missouri state court, contending that Missouri law prohibits subrogation or reimbursement in this context. The trial court granted Coventry summary judgment based on FEHBA’s preemption provision, but the Missouri Supreme Court reversed. Today, the Court reversed, holding that FEHBA’s express preemption provision, §8902(m)(1), overrides state law barring subrogation and reimbursement, and that the regime Congress enacted is compatible with the Supremacy Clause.

The Court’s decision is available [here](#).

**Goodyear Tire & Rubber Co. v. Haeger**, No. 15-1406: The Haegers brought suit against petitioner Goodyear Tire & Rubber Company, contending that the failure of a Goodyear G159 tire on their family motorhome had caused it to swerve and roll over. In discovery, Goodyear was slow and unrevealing in responding to multiple requests by the Haegers for internal test results for the G159, and the case settled before trial. The Haegers’ lawyer subsequently learned from a newspaper article that in another lawsuit, Goodyear had disclosed G159 test results never produced in this case. The Haegers sought sanctions for discovery fraud, and the District Court awarded comprehensive attorney’s fees and costs at the full \$2.7 million incurred by the Haegers’ attorney since Goodyear made its first dishonest discovery response. The Ninth Circuit affirmed. The Court today reversed, holding that such an order is limited to the fees the innocent party

### Related Capabilities

- Appellate
- Benefits & Compensation
- Healthcare & Life Sciences
- Healthcare Litigation
- Insurance Law
- Electronic Discovery
- Products Liability

incurred solely because of the misconduct – in other words, to the fees that party would not have incurred but for the bad faith.

The Court's decision is available [here](#).