

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re: MODIVCARE, INC., <i>et al.</i> , Debtors.	Chapter 11 Case No. 25-90309 (ARP) (Jointly Administered)
HEALTHSPRING, INC., Plaintiff, v. MODIVCARE SOLUTIONS, LLC, Defendant.	Adversary No. _____

**COMPLAINT FOR (I) ANTICIPATORY BREACH OF CONTRACT,
(II) DECLARATORY JUDGMENT AND ORDER FOR SPECIFIC PERFORMANCE, AND
(III) APPLICATION FOR TEMPORARY RESTRAINING ORDER
AND PRELIMINARY INJUNCTION**

HealthSpring, Inc., Plaintiff herein (“Plaintiff”), files this Original Complaint for (i) Anticipatory Breach of Contract, (ii) Declaratory Judgment and Order for Specific Performance, and (iii) Application for Temporary Restraining Order and Preliminary Injunction (“Complaint”) against ModivCare Solutions, LLC, Defendant herein (“Defendant”), as follows:

I. SUMMARY OF ACTION

1. This adversary proceeding seeks: (i) relief arising out of Defendant’s anticipatory breach of contract; (ii) the entry of a declaratory judgment and order for specific performance by Defendant; and (iii) the entry of a temporary restraining order and preliminary injunction enjoining Defendant to comply with Section 12.4 the Master Services Agreement dated April 1, 2023 (“MSA”) with Plaintiff, including,



but not limited to, that if the MSA is terminated, Defendant is obligated to continue to perform the services identified in the MSA and Statement of Work No. 11007 (including amendments thereto, “SOW”) for 180 days after such termination (“Wind-Down Period”). Unless otherwise noted, the MSA and SOW are referred to herein, collectively, as the “Contract.”

2. The Contract governs Defendant’s role as Plaintiff’s national provider of non-emergency medical transportation (“NEMT”) services for Plaintiff’s ██████ Medicare members through December 31, 2026. Specifically, Defendant provides NEMT services to Plaintiff’s members to attend medical appointments, behavioral health appointments, and pick up prescriptions. Most members are elderly and many of their appointments are to receive life-saving treatments, such as dialysis and infusion. To allow Defendant to cease providing these services before the end of the contractual 180-day Wind-Down Period would severely disrupt members’ access to critical medical care.

II. PARTIES

3. Plaintiff is a national health insurance brand and subsidiary of Health Care Service Corporation (“HCSC”), a customer-owned health insurer. The Contract originally was entered between Cigna Corporate Services, LLC (“Cigna”) and Defendant; however, on March 19, 2025, HCSC acquired Cigna’s Medicare businesses, including Cigna’s Medical Advantage, and the Contract ultimately was assigned to Plaintiff.

4. Defendant is a debtor and debtor-in-possession in the above captioned jointly administered bankruptcy case (“Bankruptcy Case”), along with its parent and many affiliates, by virtue of having filed a voluntary petition for relief under chapter 11 of Title 11 of the U.S. Code (“Bankruptcy Code”) on December 18, 2025.

III. JURISDICTION AND VENUE

5. The Court has jurisdiction over this adversary proceeding pursuant to 28 U.S.C. §§ 157(b)(1) and 1334. To the extent that any aspect of the relief sought herein does not constitute a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), Plaintiff consents to the jurisdiction of the bankruptcy court. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409 because the Bankruptcy Case is pending in this District.

6. Pursuant to Bankruptcy Rule 7008 and Local Rule 7008-1, Plaintiff states that it consents to the entry of final orders or judgment by the bankruptcy judge if it is determined that the bankruptcy judge, absent consent of the parties, cannot enter final orders or judgment consistent with Article III of the United States Constitution.

IV. FACTUAL BACKGROUND

7. On December 18, 2025, Defendant sent a letter characterized as a “Thirty Day Termination Notice for Breach” (“Termination Notice”), asserting: (i) that Plaintiff is in material breach of the Contract for violating the MLR Risk Sharing arrangement as defined in Section 5.6 of the SOW; (ii) that Defendant will terminate the Contract for cause in 30 days pursuant to Section 12.2 of the MSA; and (iii) that Defendant might also seek to reject the Contract in its bankruptcy proceeding if Plaintiff did not respond to the Termination Notice by December 23, 2025. Thirty days have now passed since the date of the Termination Notice, and Defendant has not retracted its purported termination.

8. Regardless of whether cause existed for Defendant’s Termination Notice, Defendant’s statement that it will refuse to comply with its contractual wind-down and termination assistance obligations during the Wind-Down Period constitutes an anticipatory breach of Defendant’s remaining obligations that apply after a “termination” of the Contract. Both parties had agreed to these obligations to avoid any disruption of critical transportation services necessary for the health and safety of Plaintiff’s

members. Specifically, Section 12.4 of the MSA provides, in relevant part:



9. In addition to the obligations in Section 12.4, Exhibit 2 to the SOW delineates termination assistance obligations, requiring that Defendant, among other things:

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

10. Plaintiff responded to the Termination Notice on December 23, 2025, stating, among other things, that Defendant's termination was improper and requesting that Defendant rescind the termination to avoid disruption for Plaintiff's members. Plaintiff explained that Defendant's actions threatened the health and safety of its [REDACTED] Medicare members, who rely on Defendant for transportation to their medical appointments and life-saving treatments. Plaintiff also reminded Defendant that even if the termination were valid, it must still comply with its contractual wind-down and termination assistance obligations during the Wind-Down Period to avoid any disruption to member services. Plaintiff concluded

by requesting that the parties meet as soon as possible to discuss a plan that would prevent any disruption in services to its members and ensure a smooth transition to a new NEMT provider.

11. Defendant did not respond until the afternoon of Friday, December 26, 2025, when it stated it would not rescind the termination; it did not address its contractual wind-down and termination assistance obligations during the Wind-Down Period. Furthermore, Defendant demanded a financial resolution by Monday, December 29, 2025, at 9:00 a.m. CT, less than 24 working hours over the holiday weekend. When Plaintiff requested additional information to substantiate Defendant's demand, Defendant responded that it would seek the Bankruptcy Court's approval to reject the Contract effective January 28, 2026, and that it would perform transportation services for Plaintiff's members only through that date.

12. On December 29, 2025, Defendant filed in the Bankruptcy Case its *Motion for Entry of an Order Authorizing the Debtors to Reject Certain Executory Contracts* (Doc. No. 1133) ("Motion"). The only contract that Defendant sought to reject was the MSA and its SOW. Defendant sought to reject the Contract effective as of January 28, 2026.¹

13. Neither the Termination Notice nor Motion mentions the contractual wind-down and termination assistance obligations. By letter dated January 7, 2026, Plaintiff again reminded Defendant of these obligations, as well as emphasizing the irreparable harm its members would suffer if Defendant failed to provide transportation services during the Wind-Down Period. Plaintiff concluded by asking for Defendant's confirmation that it will comply with its contractual wind-down and termination assistance obligations during the Wind-Down Period.

14. On January 9, 2026, Plaintiff continued to seek a commitment from Defendant to adhere to its contractual termination assistance and wind-down obligations, but Defendant refused to discuss continuing to provide NEMT services during the Wind-Down Period unless Plaintiff awarded to

¹ On January 20, 2026, Plaintiff filed under seal its Objection to the Motion. (*See* Doc. No. 1189).

Defendant the new 2027 NEMT contract. Then, on January 16, 2026, Defendant indicated that whether it continued to provide NEMT services for the Wind-Down Period beyond January 28, 2026, was dependent on Plaintiff's agreeing to its demand to resolve a prior contract dispute. In response, Plaintiff again requested that Defendant provide the necessary run-out services during the 180-day Wind-Down Period, as well as confirming Plaintiff's willingness to engage in good-faith discussions on increased rates under the Contract. While counsel for Defendant has indicated that ModivCare temporarily will provide the required services, ModivCare continues to state that it will refuse to perform the services as soon as rejection is permitted.

V. CAUSES OF ACTION

**COUNT I
(Anticipatory Breach of Contract)**

15. Plaintiff incorporates by reference the allegations set forth in the preceding paragraphs as though they were set forth herein.

16. Plaintiff and Defendant entered into the Contract, whereby Defendant agreed to act as Plaintiff's national provider of non-emergency medical transportation services for Plaintiff's [REDACTED] Medicare members through December 31, 2026.

17. The Contract is legal and binding and enforceable between the parties, and even if the Contract were terminated, with or without cause, Defendant must still perform its contractual wind-down and termination assistance obligations during the 180-day Wind-Down Period.

18. Plaintiff has met its obligations under the Contract.

19. Plaintiff remains willing and able to perform the Contract.

20. By the Termination Notice and Motion, as well as verbal communications to Plaintiff, Defendant has made a clear, positive and definite repudiation of its contractual wind-down and termination assistance obligations through the 180-day Wind-Down Period.

21. Defendant's anticipatory breach will have an enormous impact on the health and safety of Plaintiff's [REDACTED] Medicare members, who rely on Defendant for transportation to their medical appointments and life-saving treatments.

22. As a direct and proximate result of Defendant's anticipatory breach, Plaintiff and its Medicare members are suffering and will continue to suffer actual harm. Damages arising from the breach will be substantial but difficult to calculate, meaning that money damages are inadequate to remedy the breach.

WHEREFORE, as to Count I, Plaintiff respectfully requests that this Court:

- A. Enter a judgment in favor of Plaintiff and against Defendant that Defendant has committed anticipatory breach of the Contract;
- B. Determine that equitable relief, as described herein, is available to remedy the breach while reserving the determination of availability of damages and their priority as a post-petition expense; and
- C. Award such other and further relief as the Court deems just and proper.

COUNT II
(Declaratory Judgment and Order of Specific Performance)

23. Plaintiff incorporates by reference the allegations set forth in the preceding paragraphs as though they were set forth herein.

24. Under the Uniform Declaratory Judgment Act, this Court has the power to declare rights, status and other legal relations whether or not further relief could be claimed. *See* 28 U.S.C. § 2201 *et seq.*

25. Declaratory relief is proper here because Plaintiff disagrees with Defendant's refusal to perform its contractual wind-down and termination assistance obligations during the 180-day Wind-Down Period, which would have an enormous impact on the health and safety of Plaintiff's Medicare members.

WHEREFORE, as to Count II, Plaintiff respectfully requests that this Court:

A. Enter a judgment declaring the rights of Plaintiff and Defendant in connection with Defendant's performance of its contractual wind-down and termination assistance obligations during the 180-day Wind-Down Period;

B. As part of such declaratory judgment, order the specific performance of Defendant in connection with its contractual wind-down and termination assistance obligations during the 180-day Wind-Down Period; and

C. Award such other and further relief as the Court deems just and proper.

COUNT III
(Temporary Restraining Order and Preliminary Injunction)

26. Plaintiff incorporates by reference the allegations set forth in the preceding paragraphs as though they were set forth herein.

27. If Defendant ceases performing transportation services for Plaintiff's members before the end of the 180-day Wind-Down Period, then the harm will be immediate and irreparable to the health and safety of Plaintiff's [REDACTED] Medicare members, who rely on Defendant for transportation to their medical appointments and life-saving treatments. There will be separate harm arising to Plaintiff's reputation as a leading provider of healthcare plans.

28. This immediate and irreparable harm can only be avoided if Defendant is restrained from ceasing to provide its contractual wind-down and termination assistance obligations during the 180-day Wind-Down Period, which are vital to the health and safety of Plaintiff's members.

29. Plaintiff remains willing and able to perform its obligations under the Contract during the Wind-Down Period.

30. Plaintiff is substantially likely to succeed on the merits of its request.

31. The balance of equities favors Plaintiff because it has demonstrated immediate and extreme harm to Plaintiff and its Medicare members if Defendant ceases NEMT services before the end of the 180-day Wind-Down Period.

32. The public interest also favors injunctive relief. If not enjoined, Defendant's refusal to provide NEMT services during the Wind-Down Period will leave Plaintiff's [REDACTED] Medicare members without access to critical medical care.

WHEREFORE, as to Count III, Plaintiff respectfully requests that this Court:

A. Immediately enter a temporary restraining order enjoining Defendant, together with all of its directors, officers, agents, servants, employees, subsidiaries, affiliates, assigns, and all persons in active concert or participation with Defendant, from ceasing NEMT services to Plaintiff's Medicare members, and ordering Defendant to perform its contractual wind-down and termination assistance obligations as set forth in the Contract, until the conclusion of the 180-day Wind-Down Period;

B. Enter a preliminary injunction enjoining Defendant, together with all of its directors, officers, agents, servants, employees, subsidiaries, affiliates, assigns, and all persons in active concert or participation with Defendant, from ceasing NEMT services to Plaintiff's Medicare members, and ordering Defendant to perform its contractual wind-down and termination assistance obligations as set forth in the Contract, until the conclusion of the 180-day Wind-Down Period;

C. Order that Defendant files with the Court and serves on counsel for Plaintiff within thirty (30) days of entry of the preliminary injunction, a report in writing and under oath setting forth in detail the manner and form in which Defendant has complied with the preliminary injunction;

D. Award Plaintiff its costs and expenses incurred in bringing this Complaint; and

E. Award Plaintiff such other and further relief as the Court deems just and proper.

Dated: February 6, 2026.

Respectfully submitted,

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/s/ Erin E. Jones

Erin Elizabeth Jones

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ATTORNEYS FOR HEALTHSPRING, INC.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on February 6, 2026, the foregoing was served electronically via CM/ECF for those parties registered to receive such service and to counsel of record for the Debtors

in the main bankruptcy case via email as follows: (i) Jonathan Weichselbaum at jon.weichselbaum@lw.com; and (ii) Betsy Marks at Betsy.Marks@lw.com.

/s/ Erin E. Jones _____

B1040 (FORM 1040) (12/24)

ADVERSARY PROCEEDING COVER SHEET (Instructions on Reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)
PLAINTIFFS HEALTHSPRING, INC.	DEFENDANTS MODIVCARE SOLUTIONS, LLC	
ATTORNEYS (Firm Name, Address, and Telephone No.) Erin Elizabeth Jones 602 Sawyer St., Ste. 400 Jones Murray, LLP Houston, TX 77007 713-515-4806	ATTORNEYS (If Known)	
PARTY (Check One Box Only) <input type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input checked="" type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	PARTY (Check One Box Only) <input checked="" type="checkbox"/> Debtor <input type="checkbox"/> U.S. Trustee/Bankruptcy Admin <input type="checkbox"/> Creditor <input type="checkbox"/> Other <input type="checkbox"/> Trustee	
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Count I -- Anticipatory Breach of Contract Count II -- Declaratory Judgment & Specific Performance under 28 U.S.C. 2201 et seq. Count III -- TRO and Preliminary Injunction		
NATURE OF SUIT (Number up to five (5) boxes starting with lead cause of action as 1, first alternative cause as 2, second alternative cause as 3, etc.)		
FRBP 7001(a) – Recovery of Money/Property <input type="checkbox"/> 11-Recovery of money/property - §542 turnover of property <input type="checkbox"/> 12-Recovery of money/property - §547 preference <input type="checkbox"/> 13-Recovery of money/property - §548 fraudulent transfer <input type="checkbox"/> 14-Recovery of money/property - other FRBP 7001(b) – Validity, Priority or Extent of Lien <input type="checkbox"/> 21-Validity, priority or extent of lien or other interest in property FRBP 7001(c) – Approval of Sale of Property <input type="checkbox"/> 31-Approval of sale of property of estate and of a co-owner - §363(h) FRBP 7001(d) – Objection/Revocation of Discharge <input type="checkbox"/> 41-Objection / revocation of discharge - §727(c),(d),(e) FRBP 7001(e) – Revocation of Confirmation <input type="checkbox"/> 51-Revocation of confirmation FRBP 7001(f) – Dischargeability <input type="checkbox"/> 66-Dischargeability - §523(a)(1),(14),(14A) priority tax claims <input type="checkbox"/> 62-Dischargeability - §523(a)(2), false pretenses, false representation, actual fraud <input type="checkbox"/> 67-Dischargeability - §523(a)(4), fraud as fiduciary, embezzlement, larceny (continued next column)	FRBP 7001(f) – Dischargeability (continued) <input type="checkbox"/> 61-Dischargeability - §523(a)(5), domestic support <input type="checkbox"/> 68-Dischargeability - §523(a)(6), willful and malicious injury <input type="checkbox"/> 63-Dischargeability - §523(a)(8), student loan <input type="checkbox"/> 64-Dischargeability - §523(a)(15), divorce or separation obligation (other than domestic support) <input type="checkbox"/> 65-Dischargeability - other FRBP 7001(g) – Injunctive Relief <input type="checkbox"/> 71-Injunctive relief – imposition of stay <input checked="" type="checkbox"/> 72-Injunctive relief – other FRBP 7001(h) Subordination of Claim or Interest <input type="checkbox"/> 81-Subordination of claim or interest FRBP 7001(i) Declaratory Judgment <input checked="" type="checkbox"/> 91-Declaratory judgment FRBP 7001(j) Determination of Removed Action <input type="checkbox"/> 01-Determination of removed claim or cause Other <input type="checkbox"/> SS-SIPA Case – 15 U.S.C. §§78aaa <i>et seq.</i> <input type="checkbox"/> 02-Other (e.g. other actions that would have been brought in state court if unrelated to bankruptcy case)	
<input type="checkbox"/> Check if this case involves a substantive issue of state law	<input type="checkbox"/> Check if this is asserted to be a class action under FRCP 23	
<input type="checkbox"/> Check if a jury trial is demanded in complaint	Demand \$	
Other Relief Sought		

B1040 (FORM 1040) (12/24)

BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES		
NAME OF DEBTOR ModivCare, Inc.		BANKRUPTCY CASE NO. 25-90309
DISTRICT IN WHICH CASE IS PENDING Southern District of Texas		DIVISION OFFICE Houston
NAME OF JUDGE Alfredo R. Perez		
RELATED ADVERSARY PROCEEDING (IF ANY)		
PLAINTIFF	DEFENDANT	ADVERSARY PROCEEDING NO.
DISTRICT IN WHICH ADVERSARY IS PENDING		DIVISION OFFICE
NAME OF JUDGE		
SIGNATURE OF ATTORNEY (OR PLAINTIFF)		
DATE		PRINT NAME OF ATTORNEY (OR PLAINTIFF)

INSTRUCTIONS

The filing of a bankruptcy case creates an “estate” under the jurisdiction of the bankruptcy court which consists of all of the property of the debtor, wherever that property is located. Because the bankruptcy estate is so extensive and the jurisdiction of the court so broad, there may be lawsuits over the property or property rights of the estate. There also may be lawsuits concerning the debtor’s discharge. If such a lawsuit is filed in a bankruptcy court, it is called an adversary proceeding.

A party filing an adversary proceeding must also complete and file Form 1040, the Adversary Proceeding Cover Sheet, unless the party files the adversary proceeding electronically through the court’s Case Management/Electronic Case Filing system (CM/ECF). (CM/ECF captures the information on Form 1040 as part of the filing process.) When completed, the cover sheet summarizes basic information on the adversary proceeding. The clerk of court needs the information to process the adversary proceeding and prepare required statistical reports on court activity.

The cover sheet and the information contained on it do not replace or supplement the filing and service of pleadings or other papers as required by law, the Bankruptcy Rules, or the local rules of court. The cover sheet, which is largely self-explanatory, must be completed by the plaintiff’s attorney (or by the plaintiff if the plaintiff is not represented by an attorney). A separate cover sheet must be submitted to the clerk for each complaint filed.

Plaintiffs and Defendants. Give the names of the plaintiffs and defendants exactly as they appear on the complaint.

Attorneys. Give the names and addresses of the attorneys, if known.

Party. Check the most appropriate box in the first column for the plaintiffs and the second column for the defendants.

Demand. Enter the dollar amount being demanded in the complaint.

Signature. This cover sheet must be signed by the attorney of record in the box on the second page of the form. If the plaintiff is represented by a law firm, a member of the firm must sign. If the plaintiff is pro se, that is, not represented by an attorney, the plaintiff must sign.