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Epic v. Health Gorilla: Interoperability, Privacy, and the Information Blocking Era

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The landmark lawsuit^[1] filed in the Central District of California by Epic Systems Corporation et al.^[2] against Health Gorilla et al.^[3] has quickly become one of the most closely watched health data and interoperability cases. At issue is whether hundreds of thousands of patient records were improperly disclosed and whether the trust model underlying national interoperability frameworks can withstand alleged bad actors.

For those working in interoperability since the earliest information blocking debates, this tension is familiar. The industry has long attempted to reconcile broad access mandates with strict privacy guardrails. What distinguishes this case is the scale and the public nature of the allegations.

According to the complaint, the defendants allegedly accessed nearly 300,000 patient records by misrepresenting that the queries were for treatment purposes when the records were used to support marketing for law firms handling mass tort cases. The complaint alleges an organized scheme to monetize patient records and claims that certain entities created sham provider websites and obtained National Provider Identifiers (NPIs) “to create an illusion of legitimate treatment activity.” Epic contends that this conduct undermines the national exchange frameworks and threatens confidence in interoperability.

The complaint asserts claims of fraud, aiding and abetting fraud, violations of the federal Computer Fraud and Abuse Act, breach of contract, and violations of California’s Unfair Competition Law. Health Gorilla has denied the allegations,[4] characterizing the lawsuit as misleading and anticompetitive.[5] Health Gorilla and co-defendant RavillaMed have filed motions to dismiss, arguing Epic lacks standing and failed to exhaust contractual remedies.[6]

Treatment Purpose as the Fault Line

Although the complaint does not assert claims under the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations (collectively, HIPAA), HIPAA’s regulatory framework forms the backdrop. HIPAA permits disclosures of protected health information through interoperability networks for “treatment” without a patient’s authorization[7] and defines treatment broadly to include the provision, coordination, or management of health care related services.[8]

This dispute may ultimately turn on whether the “treatment” representation was genuine when the records were queried. If access was granted for treatment but the information was then used for other objectives, that distinction is legally significant.

TEFCA, Carequality, and Network Accountability

The litigation also places the contractual backbone of national health information exchange under scrutiny.

Both Carequality and Trusted Exchange Framework and Common Agreement (TEFCA) participants agree to framework requirements that limit exchange to defined permitted purposes, and impose identity verification, flow-down obligations, and dispute resolution processes.[9]

If the allegations are proven true, this case may test whether those governance structures function as intended. Were participants adequately vetted? Were suspicious query patterns investigated? Were audit and suspension rights exercised when concerns arose? These are contractual and operational questions as much as regulatory ones.

For providers that contract with entities participating in these networks, the exposure analysis extends beyond baseline HIPAA compliance. Participation agreements, flow-down provisions, audit rights, and indemnification clauses may shape risk allocation in situations where exchange activity is later characterized as improper.

The Competitive and Information Blocking Context

The broader competitive landscape adds another layer. Epic has faced separate scrutiny and litigation relating to interoperability and access, including antitrust and information blocking related allegations. [10] At the same time, Epic has emphasized the need to protect patient data and maintain control over access to its ecosystem.[11] Epic’s lawsuit targets Carequality Implementers and TEFCA Qualified Health Information Networks—the technology companies that form the technical and administrative backbone for nationwide health information exchange—for allegedly not being able to vet participants.

Some observers may also view the litigation as having competitive implications beyond the immediate dispute. By questioning the governance and participant-vetting capabilities of national interoperability frameworks, the lawsuit places scrutiny on multi-vendor exchange models that rely on distributed trust and credentialing. Even if the case ultimately turns on specific facts, the broader narrative may influence how health care providers and regulators evaluate the relative risks of open network exchange versus more tightly controlled environments. If courts credit arguments that purpose-based exchange is vulnerable to misrepresentation absent rigorous oversight, market participants may gravitate toward exchange models emphasizing enhanced verification and centralized governance. In that sense, the dispute raises questions not only about privacy safeguards, but also about how litigation can shape expectations around accountability and the future structure of interoperable data exchange.

In that environment, this lawsuit can be viewed through multiple lenses. It may represent a response to alleged misuse of treatment-based exchange and a call for stronger governance controls. It may also function as part of a broader effort to define the boundaries of permissible access in an era of heightened information blocking enforcement. Whether framed as privacy enforcement or competitive positioning, the case places national interoperability frameworks under judicial scrutiny and forces courts to confront how purpose-based exchange should operate in practice.

What Health Care Providers Should Consider Now

For health care providers participating in national exchange frameworks, disciplined governance is essential. Practical steps include:

- Inventory exchange participation across local, regional, and national networks, and identify the exchange purposes for which data is transacted.
- Assess whether applicable federal and state privacy laws permit exchange for each asserted purpose and whether additional legal preconditions must be satisfied before participation.
- Review participation and business associate agreements to confirm that permitted purposes, downstream restrictions, audit rights, and indemnification provisions align with actual exchange practices.
- Evaluate whether meaningful audit and suspension mechanisms exist to address suspicious query activity and verify identity proofing procedures, including the use of NPIs.
- Elevate interoperability governance to the enterprise level, ensuring compliance committees and boards understand the legal and reputational risks associated with exchange participation.

Interoperability remains foundational to modern health care delivery, but it depends on accurate representations, enforceable contracts, and credible oversight.

Epic v. Health Gorilla does not pit interoperability against privacy. It instead underscores how tightly intertwined they are. As national exchange expands, courts and regulators will continue to examine whether access and accountability advance together.

[1] Complaint, *Epic Systems Corp. v. Health Gorilla, Inc.*, No. 2:26-cv-00321 (C.D. Cal. Jan. 13, 2026), <https://www.epic.com/content/what-you-put-up-with-is-what-you-stand-for.pdf> (Complaint).

[2] Co-plaintiffs include: OCHIN, Inc.; Reid Hospital & Health Care Services, Inc. d/b/a Reid Health; Trinity Health Corporation; and UMass Memorial Health Care, Inc.

[3] Co-defendants include: RavillaMed PLLC; Avinash Ravilla; Shere Saidon; LlamaLab, Inc.; Unique Medi Tech LLC, d/b/a Mammoth Dx; Mammoth Path Solution, LLC; Mammoth Rx, Inc.; Ryan Hiilton; Daniel Baker; Max Toovey; Unit 387 LLC; SelfRx, LLC d/b/a Myself.Health; Critical Care Nurse Consultants, LLC d/b/a GuardDog Telehealth; Hoppr, LLC; Meredith Manak; and DOES 1-100.

[4] *Health Gorilla Releases Statement in Response to Epic Lawsuit*, PR Newswire (Jan. 27, 2026), <https://www.prnewswire.com/news-releases/health-gorilla-releases-statement-in-response-to-epic-lawsuit-302670823.html>.

[5] *Id.*

[6] Health Gorilla's Motion to Dismiss, *Epic Systems Corp. v. Health Gorilla, Inc.*, No. 2:26-cv-00321 (C.D. Cal. Jan. 13, 2026).; RavillaMed's Motion to Dismiss, *Epic Systems Corp. v. Health Gorilla, Inc.*, No. 2:26-cv-00321 (C.D. Cal. Jan. 13, 2026).

[7] 45 C.F.R. § 164.506 (a).

[8] 45 C.F.R. § 164.501. "Treatment" means "the provision, coordination, or management of health care and related services by one or more health care providers, including the coordination or management of health care by a health care provider with a third party; consultation between health care providers relating to a patient; or the referral of a patient for health care from one health care provider to another."

[9] *Common Agreement for Nationwide Health Information Interoperability*, Version 2.1, Off. of the Nat'l Coordinator for Health Info. Tech., U.S. Dep't of Health & Hum. Servs. (Nov. 2024), https://healthit.gov/wp-content/uploads/2025/02/Common_Agreement_2.1.pdf.

[10] *State of Texas ex rel. Attorney General Ken Paxton v. Epic Systems Corporation*, No. 236-372872-25 (Tex. 2025).; *Particle Health Inc. v. Epic Systems Corporation*, No. 1:24-cv-07174-NRB (S.D.N.Y. 2024).

[11] *Healthcare Providers and Epic Act to Safeguard Patients' Health Information*, Epic (Jan. 13, 2026), <https://www.epic.com/epic/post/what-you-put-up-with-is-what-you-stand-for/>.

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