

BOISE, MONDAY, AUGUST 25, 2025 at 11:10 A.M.

IN THE SUPREME COURT OF THE STATE OF IDAHO

**CARELON BEHAVIORAL HEALTH, INC.,)
fka BEACON HEALTH OPTIONS, INC.,)**

Plaintiff-Appellant,)

v.)

**STATE OF IDAHO, through the IDAHO)
DEPARTMENT OF ADMINISTRATION)
and the IDAHO DEPARTMENT OF)
HEALTH AND WELFARE; STEVEN)
BAILEY, solely in his official capacity;)
VALERIE BOLLINGER, solely in her official)
capacity; and MAGELLAN OF IDAHO,)
LLC; MAGELLAN HEALTH, INC., and)
MAGELLAN HEALTHCARE, INC.,)**

Defendants-Respondents,)

and)

**UNITED BEHAVIORAL HEALTH, INC.,)
dba OPTUM IDAHO,)**

**Intervenor-Defendant-)
Respondent.)**

Docket No. 51462

Appeal from the District Court of the Fourth Judicial District of the State of Idaho,
Ada County, Nancy A. Baskin, District Judge.

Givens Pursley, LLP, Boise; Troutman Pepper Hamilton Sanders, LLP, New York,
NY, for Appellant.

Raúl R. Labrador, Idaho Attorney General, Boise, for Respondents State of Idaho,
Idaho Department of Administration, Idaho Department of Health & Welfare,
Seven Bailey and Valerie Bollinger.

Trout Law, PLLC, Boise; Bryan Cave Leighton Paisner, LLP, Denver, Colorado;
Bryan Cave Leighton Paisner, LLP, San Francisco, California; Williams &

Connolly, LLP, Washington, D.C. 20024 for Respondents Magellan of Idaho, LLC, Magellan Health, Inc. & Magellan Healthcare, Inc.

Tolman Brizee & Cannon, P.C., Twin Falls; Dorsey & Whitney, LLP, Minneapolis, Minnesota; Gibson Dunn & Crutcher, LLP, Washington, D.C., for Intervenor United Behavioral Health, Inc. d/b/a Optum Idaho.

This case concerns the availability of an original civil action against the State arising under Idaho's Procurement Act, Idaho Code section 67-9201, *et seq.* In 2021, the Idaho Department of Administration's ("the Department") Division of Purchasing issued an invitation for vendors to bid on a contract to provide behavioral health and substance-abuse services on behalf of the Idaho Department of Health and Welfare ("IDHW"), as part of Idaho's Behavioral Health Plan ("IBHP"). Carelon Behavioral Health, Inc. ("Carelon") was one of three bidders and was initially chosen as the winner of the contract. However, the other two bidders, Magellan Healthcare ("Magellan") and United Behavioral Health ("Optum"), both challenged the Department's notice of intent to award the contract to Carelon, arguing that Carelon was ineligible to bid under Idaho Code section 67-9230(8) because the State had previously paid Carelon for services they argued were used in creating the specifications of the contract. In response to these challenges, the director of the Department of Administration ("Director") appointed a determinations officer to issue a recommendation regarding the correctness of the contract award to Carelon. After concluding that Carelon had previously contracted with IDHW to issue a 2019 report that was used to develop the IBHP and the specifications of the contract, the determinations officer recommended that the award to Carelon was erroneous. The Director adopted this recommendation and, over Carelon's and Optum's objections, ultimately awarded the contract to Magellan.

In May 2023, Carelon filed a complaint for declaratory relief and petition for a writ of mandate, seeking to overturn the Director's decision that it was barred from bidding on the contract and compel the Director and Purchasing Administrator to terminate its contract with Magellan and reinstate its notice of intent to award the contract to Carelon. The district court dismissed the complaint for lack of subject matter jurisdiction, concluding that Carelon's claims attempted to collaterally attack the Department's determinations and were therefore a request for judicial review prohibited by the former version of the Procurement Act, Idaho Code sections 67-9232(a)(ii) and 67-9229 (2023). The district court further concluded that the State was entitled to sovereign immunity from Carelon's non-constitutional claims and a writ of mandate was not appropriate under the circumstances.

Carelon timely appeals, raising several issues: (1) whether the district court erred by characterizing its complaint as a petition for judicial review instead of an original civil action and dismissing it for lack of subject matter jurisdiction; (2) if the district court correctly determined that it lacked subject matter jurisdiction over its complaint, whether the Procurement Act violates Idaho's separation of powers doctrine; (3) whether the State was entitled to sovereign immunity from suit on any of Carelon's claims; (4) whether Idaho Code section 67-9230(8) is void for vagueness as applied to Carelon; and (5) whether the district court erred in concluding that a writ of mandate is not appropriate under the circumstances.