

FCA Ruling May Open Door To Redacting Defendants' Names

By **Meredith Auten, Jessica Sievert and Ashley Stuart** (September 25, 2026)

It has long been the prevailing view among federal courts that once a False Claims Act qui tam action is unsealed, the defendants' identities remain part of the public record, regardless of how the case concludes.

However, a July 13 decision from the [U.S. District Court for the Middle District of Florida](#) in U.S. and State of Florida ex rel. Hasan v. [Health First Inc.](#), may signal a shift in that thinking.

Background of the Case

The underlying qui tam action was filed under seal in May 2021 by two relators against Health First entities and two individual orthopedic surgeons, who were added later in an amended complaint.

The relators alleged that the defendants overbilled Medicare and Medicaid by performing procedures on an inpatient basis that should have been performed on an outpatient basis, a common billing dispute in healthcare FCA litigation.

Over more than four years, the U.S. government filed 10 memoranda seeking extensions of the intervention period. Despite this extended investigation, both the federal and state governments ultimately declined to intervene in February 2026.

The relators then promptly filed a notice of voluntary dismissal with prejudice, and the case was dismissed without any monetary recovery or settlement of any kind. No defendant was ever served with process, no dispositive motions were ever filed, and the physicians were never afforded an opportunity to respond to or refute the allegations against them.

All parties jointly moved to permanently seal the case. When U.S. Magistrate Judge Nathan Hill ordered supplemental briefing addressing contrary authority, the parties modified their request to seek redacted unsealing — meaning the case would be made public, but the names of the physician-defendants would be replaced with pseudonyms in all public



Meredith Auten



Jessica Sievert



Ashley Stuart

filings. This approach aimed to balance transparency regarding the nature of the allegations with protection of the physicians' identities.

On April 24, Judge Hill denied the motion, finding that the parties failed to show that the record contained information implicating a "legitimate privacy interest or would otherwise cause them specific or concrete harm sufficient to outweigh the public's interest in accessing the records in this case."

Although Judge Hill acknowledged several factors favoring the physicians — including that redaction would not impair court functions, that the allegations were never tested, that the physicians had no opportunity to respond and that both governments abandoned the claims — he concluded that these considerations were outweighed by the public interest in FCA proceedings. This analysis exemplified the traditional approach that has historically made it difficult for FCA defendants to obtain identity protection.

On July 13, Judge Presnell sustained the physician-defendants' objections and reversed Judge Hill's denial of redaction. His analysis proceeded on two key grounds.

First, the court drew a critical distinction between the public's interest in understanding what was alleged in an FCA case and its interest in knowing who was accused, holding that the proper inquiry is "whether the public has a meaningful interest in accessing the Doctors' identities in this particular FCA case" rather than the public interest in FCA cases generally.

Applying that framework, Judge Presnell concluded that the public's interest in knowing the identities of the accused was substantially diminished where the government, with its investigative resources and expertise, declined to intervene after a lengthy investigation.

Second, Judge Presnell placed significant weight on the privacy interests detailed in the physicians' sworn declarations. The court credited their evidence of profession-specific harms that would predictably result from public association with fraud allegations, including:

- Loss of patient trust and confidence;
- Disruption of professional relationships essential to physician practice;

- Credentialing and licensing consequences, including potential delays or denials in hospital privileges and state licensing renewals;
- Payer concerns and potential contract termination by commercial insurers and government programs; and
- Permanent damage to professional standing and reputation within the medical community.

The court emphasized that these harms were "more than a 'generalized concern over reputational harm'" and instead represented profession-specific consequences that would predictably result from public identification with untested fraud allegations.

Critically, Judge Presnell acknowledged the reality of modern information dissemination, finding it "unrealistic to presume that the public will examine the entire docket" before forming conclusions, and that "a docket entry reflecting declination and dismissal is unlikely to undo the resulting reputational harm created by that initial association."

A Departure From the Prevailing Approach

The Health First decision represents a significant departure from the prevailing judicial approach to redaction requests in unsealed FCA qui tam actions. For years, the dominant rule across multiple jurisdictions has been that once a case is unsealed, generalized reputational concerns are insufficient to overcome the strong common law and First Amendment presumption of public access to judicial records.

Courts in the [District of Columbia](#), Maryland, Massachusetts, Michigan, Pennsylvania, Kentucky and New York have all denied similar requests, creating what many practitioners viewed as an insurmountable barrier to identity protection for FCA defendants.

The closest precedent permitting identity protection is *Purcell v. [Gilead Sciences Inc.](#)*, decided by the [U.S. District Court for the Eastern District of Pennsylvania](#) in 2019, which allowed the redaction of nonparty physician names from a superseded complaint. However, *Purcell* was expressly limited to nonparties in nonoperative filings.

Health First crosses that boundary by permitting redaction of named defendant parties from operative court filings. For healthcare providers — particularly physicians and other professionals whose reputations and referral networks are acutely sensitive to fraud allegations — this ruling may open a new avenue to protect their identities in declined qui tam actions, though the decision's broader applicability remains uncertain.

Factors Supporting the Court's Decision

Several case-specific facts and circumstances combined to persuade the court that limited redactions were warranted, notwithstanding the ordinarily strong presumption of public access. Healthcare providers and their counsel should note these factors when evaluating whether this precedent may apply to their circumstances:

Lengthy Government Investigation Followed by Declination

The combination of a four-year investigation, government declination, voluntary dismissal with prejudice, no monetary exchange and defendants who were never served was central to the court's ruling. After such extensive government investigation resulting in no enforcement action, the court implicitly recognized that fairness weighed in favor of limited redactions to prevent the public record from permanently implying misconduct that was never established and that the government chose not to pursue.

No Merits Testing

The allegations were never subjected to any adversarial process. The defendants never had the opportunity to move to dismiss, move for summary judgment or present evidence in their defense. This distinguishes the case from those involving settlements, partial admissions or adjudicated outcomes. For healthcare providers, this factor underscores the importance of seeking redaction relief before any substantive engagement with the merits.

Unanimous Consent

All parties supported the redaction request to some degree. The federal and state governments took no position on the defense motion, which may have signaled to the court that no party had a strong interest in public disclosure of the physicians' identities. Though unanimous consent is not always achievable, this factor suggests that defense counsel should consider whether relators and the government might be willing to consent to, or at least not oppose, a redaction request in appropriate circumstances.

Novel Analytical Framework

The court's distinction between the public's interest in FCA cases generally and its meaningful interest in specific defendants' identities introduces an analytical framework not previously articulated in this context.

If adopted more broadly, this approach could justify redaction in many declined qui tam cases — particularly those involving physicians, nurses, pharmacists, executive and other healthcare professionals whose careers are acutely sensitive to fraud allegations.

The framework effectively disaggregates the who from the what of a public filing, a distinction that other courts have found unworkable but that reflects the practical reality that identity disclosure often causes harm disproportionate to any public benefit. Whether other courts will follow this reasoning or continue to apply the prevailing rule remains an open question.

Key Takeaways

A New Avenue for Qui Tam Defendants

This decision represents rare and potentially groundbreaking relief, allowing redaction of individual defendants' identities in an unsealed FCA qui tam action. Healthcare providers and their counsel should be aware of this potential avenue for relief and consider whether it may apply in their circumstances.

The Evidentiary Approach

The court credited detailed sworn declarations identifying specific, profession-linked harms rather than generalized reputational concerns. Healthcare providers seeking similar relief should develop particularized evidence demonstrating how public disclosure would concretely affect their specific practice, including evidence about referral patterns, credentialing processes, payer relationships, patient demographics and the competitive landscape in which the provider operates.

Fact-Specific, Not a Broad Rule

The decision's persuasive force is likely limited to analogous circumstances: declined

cases, voluntary dismissals with prejudice, no monetary recovery, defendants who were never served, and no merits testing. Cases involving settlements (even those with no admission of liability), partial admissions or adjudicated claims are unlikely to benefit from this reasoning. Healthcare providers should assess early in the litigation whether their case profile may support a redaction request.

Potential Broader Implications for Healthcare Fraud Cases

If the court's analytical framework — separating the public interest in the case from the public interest in the defendants' identities — gains traction, it could affect how courts approach sealing and redaction motions more broadly.

This would be particularly significant in healthcare fraud cases, where professional defendants often face career consequences from mere allegations that far exceed the consequences faced by defendants in other industries. Physicians may lose hospital privileges, pharmacists may lose licensure and executives may lose positions — all based on allegations that were never proven and that the government declined to pursue.

[Meredith S. Auten](#) and [Jessica R. Sievert](#) are partners, and [Ashley J. Stuart](#) is an associate, at [Holland & Knight LLP](#).

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