

From the Desk of
Senator Brian Boquist

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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF MARION

STATE OF OREGON, by and through the
Oregon Health Authority, and the Oregon
Department of Human Services,

Plaintiff,

vs.

ORACLE AMERICA, INC., a Delaware
corporation, and
MYTHICS, INC., a Virginia corporation,

Defendants.

No. _____

**COMPLAINT
(Promissory Estoppel and
Breach of Contract)**

**CLAIM NOT SUBJECT TO
MANDATORY ARBITRATION
(Prayer for Injunctive Relief)**

**Fee Authority: ORS 21.160(1)(d)
& 21.160(3)**

Plaintiff for its complaint against defendants alleges as follows:

INTRODUCTION

1.

Oracle America, Inc. ("Oracle") hosts the Oregon Health Authority's ("OHA") system for Medicaid-eligible citizens to enroll in Medicaid. In September 2014, Oracle promised that it would renew its contract to host that system while Oregon completed a project to transition to a long-term Medicaid enrollment solution. Relying on Oracle's promise, OHA continues to use Oracle's hosting services to enroll and re-enroll over 26,000 Oregonians in Medicaid every week.

2.

Without warning, Oracle sent an email at the close of business February 5, 2015, announcing, without explanation, that contrary to its promise, it would not renew OHA's contract and would terminate the hosting services at the end of February.

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64.

Defendants offered to renew OHA On Demand Contract on the same terms as provided in the current contract at a price of \$1.7 million per quarter, as described in paragraphs 32 and 40.

65.

Plaintiff accepted defendants' offer, as described in paragraph 41.

66.

Plaintiff is ready, willing, and able to comply with all the terms of the agreement, as described in paragraph 46.

67.

Defendants have purported to withdraw their agreement, and have refused to perform, as described in paragraph 45.

68.

Defendants' actions constitute a breach of the parties' agreement.

69.

As a result of defendants' threat not to perform, plaintiff will be irreparably harmed. Ten of thousands of Oregonians will be unable to enroll in Medicaid, leaving them without access to affordable health care. In addition, if the State is unable to provide timely Medicaid enrollment to its citizens, it may lose federal funding for Medicaid services as well as funding for other Medicaid technology projects, including the project to transfer from an Oracle-based system to the Transfer System.

70.

Plaintiff has no adequate remedy at law. Plaintiff is entitled to specific performance of the renewal of the OHA On Demand Contract on the same terms as provided in the current contract for \$1.7 million per quarter for one year.