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IN THE

Court of Appeals of Indiana

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Indiana Supreme Court
Court of Appeals
and Tax Court

CorVel Corporation,
Appellant-Defendant

v.

Memorial Hospital of South Bend,
Appellee-Plaintiff

November 10, 2026

Court of Appeals Case No.
26A-EX-181

Appeal from the Full Worker's Compensation Board of Indiana

Linda Peterson Hamilton, Chairman

Application Nos.
P-257657
P-257882
P-258378
P-262133
P-262382

Opinion by Judge Kenworthy
Judges Mathias and DeBoer concur.

Kenworthy, Judge.

Case Summary

[1] Memorial Hospital of South Bend ("Hospital") filed applications with the Worker's Compensation Board of Indiana ("Board") seeking adjustment of fees CorVel Corporation ("CorVel") paid for four people who received treatment at the Hospital. CorVel filed motions to dismiss the actions and compel arbitration pursuant to a clause in an agreement between CorVel and the Hospital. A single hearing member of the Board denied the motions. After review, the full Board affirmed that decision with modifications and remanded for the single hearing member to determine proper payment. CorVel appeals, claiming the Board erred in denying its motions to compel arbitration. We affirm.

Facts and Procedural History[1]

[2] CorVel "is a national provider of risk-management solutions for the worker's compensation, auto, health, and disability management industries." *Appellant's*

[1] The Hospital agreed with CorVel's Statement of the Case and Statement of Facts. *See* Ind. Appellate Rule 46(B)(1) (allowing the appellee to omit certain sections of its brief if the appellee states agreement with the statements in the appellant's brief); *see also Appellee's Br.* at 5–6. We commend both parties: CorVel for

Br. at 6.[2] CorVel is a Delaware corporation headquartered in California. The Hospital is a "duly licensed healthcare facility" located in South Bend, Indiana. *Appellant's App. Vol. 2* at 35.

[3] In 1997, the Hospital and CorVel entered into a Preferred Provider Organization Hospital Agreement (the "Agreement") for the Hospital to participate "as an independent contractor in the CorVel network of preferred providers." *Id.* The Hospital agreed to "provide health and medical services to Beneficiaries (i.e. individuals covered under a health plan), as covered by contracts, agreements, or understandings between CorVel and Payors, in a quality minded and efficient manner." *Id.*[3] The Agreement allowed CorVel to pay the lesser of the amount provided by the Indiana Worker's Compensation fee schedule or a set percentage of billed charges. *See id.* at 64 (July 1, 2014, amendment to the Agreement addressing hospital reimbursement); *see also* Ind. Code § 22-3-3-5.2(b) (2014) (placing a cap on reimbursement at 200 percent of Medicare's reimbursement rate). The Agreement also contains the following provision at issue in this appeal:

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drafting statements with which the Hospital could agree, and the Hospital for doing so. We also commend the parties generally for their concise and collegial briefs.

[2] As the facts are undisputed, we have taken some of the facts from CorVel's brief that are not otherwise available from the limited record.

[3] "Payors" are "insurance companies, employers, third party administrators, and other groups" to which CorVel provides services. *Id.*

9. RESOLUTION OF DISPUTES

9.1 Hospital and CorVel initially agree to meet and confer in good faith to resolve any disputes or problems that may arise under this Agreement upon written request by either party.

9.2 In the event a dispute or problem cannot be resolved to either party's satisfaction, any and all matters in controversy shall be settled by arbitration. One arbitrator shall be named by each party and the third shall be named by the two arbitrators so chosen. In the event a third arbitrator cannot be agreed upon within ten (10) days following the appointment of the other two, the third arbitrator shall be named by the American Arbitration Association. The parties shall name their choice of arbitrators within ten (10) days after the initiating party has given written notice of the dispute and request for arbitrator to the other party. All procedures conducted before the arbitration panel shall be governed by and in accordance with the rules and regulations of the American Arbitration Association. The award or decision by all or a majority of the panel of arbitrators shall be final and binding, and judgment may be entered into any court having jurisdiction thereof. The party prevailing in the arbitration shall be entitled the costs of arbitration.

Appellant's App. Vol. 2 at 39. The Agreement was amended several times after 1997—most recently in 2014—but it does not appear this provision has changed.

[4] Four employees of CorVel clients were treated at the Hospital.[4] CorVel reimbursed the Hospital for the medical treatment on behalf of the employees' respective employers. The Hospital disputed that CorVel had properly applied the fee schedule to the reimbursements and in 2022, 2023, and 2024, filed Applications for Adjustment of Claim for Provider Fee with the Board. *See id.*

[4] One employee was treated on two different occasions, so there are five underlying claims.

at 2, 5, 8, 11, and 14. In each action, CorVel moved to dismiss and compel arbitration pursuant to the Agreement.[5]

[5] The single hearing member denied CorVel's motions to dismiss and compel arbitration, finding:

> [T]he [Board] has exclusive jurisdiction to enforce the Indiana Worker's Compensation Act and therefore is the appropriate venue to decide if [CorVel's] payment is correct under the Indiana Medicare Fee Schedule.

Id. at 22.

[6] CorVel sought review by the full Board. After a hearing,[6] the Board issued one order affirming all the single hearing member's decisions, ultimately determining:

> 1. The [Board] has exclusive jurisdiction to enforce the Indiana Worker's Compensation Act.
>
> 2. The appropriate venue to decide [CorVel's] payment issues rests with the [Board].

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[5] That CorVel filed a Motion to Dismiss and Compel Arbitration in each case is reflected in the Chronological Case Summary for the individual cases. *See id.* The Appellant's Appendix includes a copy of the motion and single hearing member's order in only one case, however. *Id.* at 22–23 (order) and 29–33 (motion). We assume the motions and orders are the same for all cases as neither party says otherwise.

[6] The Board's order reflects the Hospital and CorVel were each represented by counsel at a hearing. CorVel did not ask for a transcript of the hearing to be prepared.

3. [CorVel's] Motion to Compel Arbitration is properly denied as a violation of Indiana State Statutes.

4. This matter is remanded to the Single Hearing Member for a hearing on the merits of what the proper payment for medical services provided to the injured worker[s] should be in this cause of action.

Id. at 20.

Standard of Review

[7] We review *de novo* a decision on a motion to compel arbitration. *Decker v. Star Fin. Grp., Inc.*, 204 N.E.3d 918, 921 (Ind. 2023). We also review *de novo* questions of contract interpretation. *Ill. Cas. Co. v. B&S of Fort Wayne Inc.*, 235 N.E.3d 827, 832 (Ind. 2024).

The Board did not err in denying CorVel's motions to dismiss and compel arbitration.

[8] CorVel contends the Board erred in denying its motions to dismiss because this dispute must be decided pursuant to the arbitration clause in the Agreement. The Hospital argues the dispute is outside the scope of the Agreement and subject to the Board's exclusive jurisdiction.

Arbitrability

[9] CorVel first argues the question of arbitrability should not have been decided by the Board. When the question of who decides arbitrability—that is, who has the power to decide whether a dispute must be resolved by arbitration—is

presented, federal law guides the analysis. *Ill. Cas. Co.*, 235 N.E.3d at 833. Parties may choose to delegate the threshold question of arbitrability to an arbitrator. *Henry Schein, Inc. v. Archer & White Sales, Inc.*, 586 U.S. 63, 67–68 (2019). If a valid arbitration agreement exists, and if the agreement delegates the arbitrability issue to an arbitrator, the court (or as in this case, board) may not decide arbitrability. *Id.* at 68. To establish an intent to delegate arbitrability, the agreement between the parties must do so by "clear and unmistakable evidence." *Id.* at 69 (quoting *First Options of Chicago, Inc. v. Kaplan*, 514 U.S. 938, 944 (1995)). But the decision in *Henry Schein* left open the question of what constitutes "clear and unmistakable" evidence of an intent to delegate arbitrability.

[10] Tracking most jurisdictions to have answered that question, our Supreme Court recently adopted the following rule as a matter of first impression in Indiana:

> [A]n agreement to arbitrate in accordance with the [American Arbitration Association] or similar rules represents clear and unmistakable evidence that the arbitrator shall have the power to exclusively decide the arbitrability of any claim. Thus, if the parties entered into an arbitration agreement that incorporated these rules, arbitrability must be decided by an arbitrator.

Ill. Cas. Co., 235 N.E.3d at 837–38 (internal quotation marks omitted) (footnote omitted). "Simply referencing the AAA rules[,]" however, is not clear and unmistakable evidence of intent to incorporate them. *Id*. at 834.

[11] The arbitration provision at issue in *Illinois Casualty* stated:

> Notwithstanding any provision of this form or the Policy, any irreconcilable dispute between us and an "insured" *is to be resolved by arbitration in accordance with the then current rules of the American Arbitration Association*, except that the arbitration panel shall consist of one arbitrator selected by the "insured," one arbitrator selected by us, and a third independent arbitrator selected by the first two arbitrators. Judgment upon the award may be entered in any court having jurisdiction. The arbitrator has the power to decide any dispute between us and the "insured" concerning the application or interpretation of this form. However, the arbitrator shall have no power to change or add to the provisions of this form. . . .

Id. at 831 (emphasis added). Applying its new rule to this clause, the Court held this provision is clear and unambiguous: the parties agreed to arbitration "in accordance with the then current rules of [the AAA]" which "include Rule 7(a), which grants the arbitrator power to rule on his or her own jurisdiction," including the determination of the "existence, scope, or validity of the agreement." *Id.* at 839 (internal quotations omitted).

[12] CorVel contends the arbitration provisions in *Illinois Casualty* and this case are "functionally identical[.]" *Appellant's Br.* at 12. Arbitration is a matter of contract. *Ill. Cas. Co.*, 235 N.E.3d at 832. When interpreting an arbitration clause, we apply general contract interpretation principles. *Decker*, 204 N.E.3d at 920. "The goal of contract interpretation is to ascertain and give effect to the parties' intent as reasonably manifested by the language of the agreement." *Id.* (quoting *Reuille v. E.E. Brandenberger Constr., Inc.*, 888 N.E.2d 770, 771 (Ind. 2008)). As with all contracts, clear and unambiguous language in an arbitration

provision "must be given its plain and ordinary meaning." *Id.* at 920–21 (quoting *Reuille*, 888 N.E.2d at 771).

[13] In applying these rules of contract interpretation, we agree with the Hospital that there is a significant difference between the two clauses: the clause in *Illinois Casualty* leads with "any irreconcilable dispute . . . is to be resolved by arbitration in accordance with the then current rules" of the AAA but the clause in this Agreement leads with the manner of selecting arbitrators and then provides that the AAA rules apply to "all procedures conducted before the arbitration panel." *See Appellee's Br.* at 11–12. In other words, the language of the Agreement indicates the parties intended for the AAA rules to apply only after arbitrability has been decided in favor of arbitration by a court.

[14] Moreover, unlike the *Illinois Casualty* arbitration clause, the clause in this Agreement does not invoke the "then current rules" of the AAA. *See id*. at 831. The clause here simply states that procedures conducted before the arbitration panel will be governed by "the rules and regulations of the [AAA]." *Appellant's App. Vol. 2* at 39. The goal of our interpretation is to discover the intent of the parties at the time the contract was made by examining the language used to express their rights and duties. *Ill. Cas. Co.*, 235 N.E.3d at 833. According to the record before us, the Agreement between CorVel and the Hospital was last amended in July 2014. The AAA rules about jurisdiction at that time provided: "(a) The arbitrator shall have the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement." AAA Healthcare Payor Provider Arbitration Rules

(Jan. 31, 2011), R-7(a) at page 8, https://www.adr.org/media/opqlsmjw/healthcare-payor-provider-arbitration-rules-jan-2011.pdf [https://perma.cc/WHR5-YU9R]. In contrast, the current rule provides: "(a) The arbitrator shall have the power to rule on his or her own jurisdiction, including any objections with respect to the existence, scope, or validity of the arbitration agreement *or to the arbitrability of any claim or counterclaim*, without any need to refer such matters first to a court." AAA Healthcare Payor Provider Arbitration Rules and Mediation Procedures (Oct. 1, 2022), R-7(a) at page 14 (emphasis added), https://www.adr.org/media/l3clkyye/2022_healthcare_payor_provider_rules_web.pdf [https://perma.cc/WRK8-KLPB].

[15] The United States Supreme Court has noted the question of who should decide arbitrability is "rather arcane[,]" and "[a] party often might not focus upon the question or upon the significance of having arbitrators decide the scope of their own powers." *First Options*, 514 U.S. at 945. A party can be forced to arbitrate only those issues it has agreed to submit to arbitration, and therefore courts should not assume parties have agreed to arbitrate arbitrability where the record is silent or ambiguous on that point. *Id.*; *see Ill. Cas. Co.*, 235 N.E.3d at 833–34 ("As a practical matter, this rule flips the ordinary policy presumption in favor of arbitration when it comes to questions of arbitrability.") (internal quotation omitted). Here, the terms incorporating the AAA rules in the arbitration clause are at best ambiguous and the AAA rule itself was not clear that arbitrability was delegated when the parties signed the most recent amendment to the

Agreement. Under these circumstances, there is not clear and unmistakable evidence the parties intended to delegate arbitrability.

Scope of the Arbitration Agreement

[16] Because there is not clear and unmistakable evidence the parties delegated the question of arbitrability, the Board had the power to decide whether this dispute must be resolved by arbitration.

[17] A party seeking to compel arbitration must prove: (1) the existence of an enforceable agreement to arbitrate, and (2) the disputed matter is the type of claim the parties agreed to arbitrate. *Rechlicz v. Price Point Builders, LLC*, 276 N.E.3d 132, 138 (Ind. Ct. App. 2026), *trans. denied*. Here, there is no dispute that the Agreement contains an arbitration provision. But the Board determined the arbitration clause was unenforceable as contrary to Indiana law, because the Worker's Compensation Act gives the Board exclusive jurisdiction to adjudicate worker's compensation matters. *See Appellant's App. Vol. 2* at 19.

[18] CorVel contends the Board's decision was erroneous because "both Indiana and Federal law mandate the conclusion that the arbitration clause is enforceable and applicable." *Appellant's Br.* at 13. Specifically, CorVel claims the Indiana Uniform Arbitration Act covers worker's compensation claims and does not explicitly preclude arbitration. CorVel also claims the Federal Arbitration Act preempts the application of any statutes that impair enforcement of an arbitration provision in a contract involving interstate commerce. Without addressing CorVel's preemption argument, the Hospital

echoes the Board's determination that it has exclusive jurisdiction to hear disputes regarding the Worker's Compensation Act and argues "there is no dispute that arises out of the [Agreement] in this matter." *Appellee's Br.* at 9. We need not decide whether the Indiana Worker's Compensation Act or the arbitration clause under the Federal and Indiana Arbitration Acts controls here because CorVel has not shown the scope of the arbitration provision reaches this dispute.

[19] Indiana policy strongly favors arbitration agreements. *Ill. Cas. Co.*, 235 N.E.3d at 832. Any doubts concerning the scope of arbitrable issues should be resolved in favor of arbitration, "and the parties are bound to arbitrate all matters, not explicitly excluded, that reasonably fit within the language used." *Nat'l Wine & Spirits, Inc. v. Ernst & Young, LLP*, 976 N.E.2d 699, 706 (Ind. 2012) (citation omitted), *cert. denied*; *see also Precision Homes of Ind., Inc. v. Pickford*, 844 N.E.2d 126, 131 (Ind. Ct. App. 2006) ("Arbitration must be compelled unless it may be said with positive assurance that the arbitration clause is not susceptible of an interpretation that covers the asserted dispute."), *trans. denied*. However, parties are only bound to arbitrate those issues that by clear language they have agreed to arbitrate; arbitration agreements will not be extended by construction or implication. *Showboat Marina Casino P'ship v. Tonn & Blank Constr.,* 790 N.E.2d 595, 597–98 (Ind. Ct. App. 2003).

[20] The arbitration clause at issue begins with the intention to meet and confer in good faith with respect to "any disputes or problems that may arise under this Agreement[.]" *Appellant's App. Vol. 2* at 39. In the event "a dispute or problem"

cannot be resolved informally, "any and all matters in controversy shall be settled by arbitration." *Id*. Although the second sentence does not spell it out, it is clear from the provision as a whole that "a dispute or problem" to be resolved by arbitration means—referring back to the first sentence—"a dispute or problem *that arises under the Agreement*." The dispute here is not over whether CorVel should have applied the fee schedule or the fixed percentage in reimbursing the Hospital pursuant to the hospital reimbursement provision of the Agreement. Such a claim would be based on a contract term and therefore arise under the Agreement. Instead, the dispute is solely over whether CorVel properly applied the statutory fee schedule to its payment. The fee schedule is found at Indiana Code Section 22-3-3-5.2, not in the Agreement. Because the fee schedule is not part of the Agreement, the dispute about its application does not arise under it, and the parties did not agree to arbitrate it. The dispute over application of the fee schedule is properly left to the Board charged with the "right to order payment for all services or products provided" under the Worker's Compensation Act. I.C. § 22-3-3-5(c).

Conclusion

[21] The Board did not err in denying CorVel's motions to dismiss and compel arbitration. The ruling of the Board remanding the Hospital's applications to the Single Hearing Member is affirmed.

[22] Affirmed.

Mathias, J., and DeBoer, J., concur.

ATTORNEYS FOR APPELLANT

Daniel R. Kelley
Andrew D. Dettmer
Dinsmore & Shohl LLP
Indianapolis, Indiana

ATTORNEY FOR APPELLEE

Matthew L. Williams
Hardamon & Williams
Indianapolis, Indiana