

Modern Healthcare

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UnitedHealth, Cigna accused of underpaying out-of-network providers

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Modern Healthcare Illustration / Getty Images

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Several behavioral health providers and patients sued UnitedHealth Group and Cigna subsidiaries for allegedly underpaying the providers for out-of-network claims, leaving patients with massive medical bills.

The lawsuits, filed last week in the U.S. District Court for the Northern District of California, claim that United Behavioral Health and Cigna Behavioral Health violated federal and state laws by systematically reimbursing the out-of-network providers for mental health and substance abuse treatment at unreasonably low rates in violation of the terms of their patients' insurance plans.

Patients were left with big balance bills that often amounted to 90% of the cost of their care, the complaints allege.

Two of the lawsuits were filed by behavioral health providers and two were filed by patients. They are all seeking class action status.

The providers, which provide intensive outpatient program services, claim that they confirmed with UnitedHealth and Cigna that their patients had active coverage for out-of-network behavioral health services before providing treatment, and that the insurers assured the providers they would be paid at "usual, customary and reasonable" rates.

Instead, the insurers enlisted and paid financial incentives to Viant, a vendor that is also named as a defendant in the four cases, to reprice each out-of-network claim in a way that was not based on that reasonable rate and not varied based on geography, according to the complaints.

"Instead, United has made the financial decision that claims are to be paid at levels designed to drive out-of-network providers out of business. United does this because out-of-network providers cost United more," one lawsuit alleged.

The patients, meanwhile, were enrolled in UnitedHealth or Cigna employer health plans offering out-of-network coverage for mental health and substance use disorder treatment. They argue that because the insurers underpaid their providers, they were left on the hook for bills averaging \$30,000 each.

"We are committed to helping people access the mental health and substance use treatments they need, and reimbursing providers, including out-of-network providers, consistent with the terms of members' benefit plans. We will vigorously defend ourselves in this case," UnitedHealthcare said in a written statement.

Cigna did not immediately respond to a request for comment.

Inline Play

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