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Lawsuits accuse United, Cigna of underpaying for behavioral health claims

Four class action suits filed in early April accuse United Behavioral Health and Cigna Behavioral health of underpaying providers for mental health services. They allegedly used a third-party vendor called Viant to negotiate claims.

By Elise Reuter | April 9, 2020

United Behavioral Health and [Cigna](#) Behavioral Health face potential class action lawsuits over allegations that they underpaid for out-of-network behavioral health claims. The two companies allegedly used a third-party pricing company called Viant to pay a fraction of what providers were owed, according to four lawsuits filed in early April. Napoli Shkolnik PLLC filed the cases as class action lawsuits in the Northern California District Court.

Two of the lawsuits were brought by behavioral healthcare providers, including Westwind Recovery and Summit Estate Outpatient, two addiction recovery centers in California. The other cases were filed by patients, including health plan members from Apple Inc., Tesla Inc. and Intuit.

The cases representing patients allege that the reduced payments violated their insurance plans and resulted in “hundreds of million of dollars” in balance bills. Healthcare providers are pursuing antitrust charges under the Sherman Antitrust Act, alleging that the insurers had engaged in a price-fixing scheme with Viant and that the payments were a breach of contract.

[According to one of the complaints](#), the patients in the case had chosen PPO plans. Before providing them treatment, the plaintiffs had also verified that these patients had active coverage for out-of-network intensive outpatient program treatment services. They would be reimbursed at usual, customary and reasonable rates (UCR), which are calculated based how much providers in the area charge for a similar medical service.

Instead of paying them UCR rates, [UnitedHealthcare](#) allegedly worked with Viant to negotiate “dramatically reduced reimbursements.” According to the complaint, that meant patients were often liable for more than 90% of the cost of their care, resulting in an underpayment of tens of thousands of dollars per patient.

“These are amounts that United unjustly retained and used to pay a kick-back to Viant for its role in the underpayment enterprise,” the complaint stated.

The plaintiffs’ attorneys compared the case to a previous investigation by New York’s Attorney General of Ingenix, a UnitedHealth Group subsidiary whose database was used to calculate reimbursement rates. That case [resulted in a \\$350 million class settlement](#).

“Regulators have so far ignored complaints from patients and providers alike, so our clients are left with no alternative but to seek justice in the courts for themselves and for the millions of others who have been harmed by these unethical practices,” Lead Attorney Matt Lavin said in a statement. “We are confident the federal court will put an end to this practice once and for all and sufficiently punish these defendants, so they don’t try it again.”

In an emailed statement, UnitedHealthcare rebuffed the allegations.

“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,” the company stated. “We do not believe these lawsuits have merit and intend to vigorously defend ourselves.”

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