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Managed Care Litigation Update™

NEWSWORTHY

Sixth Circuit affirms dismissal of quantum meruit and unjust enrichment claims of OON hospitals, holding that no duty exists to pay the full cost of its members' out-of-network emergency care and that the "absence of such duty sounds the death knell for the Hospitals' claims." AMISUB (SFH), Inc., et al. v. Cigna Health and Life Insurance Company, USCA 6th Cir., No. 23-5714, — F.4th —, 2025 WL 1806073, (Doc. 52, filed Jul. 1, 2025). Previously reported at MCLU Vol. 176.

District court grants motion to dismiss network providers' claims asserting breach of the facility agreement with respect to treatment of patient, finding that the claims were preempted by ERISA because the member had an ERISA plan and the Fourth Circuit's Sonoco test was otherwise satisfied. South Atlantic Division, Inc., et al. v. MultiPlan, Inc., et al., USDC D SC, No. 4:24-cv-5454-SAL, 2025 WL 1898965, (Doc. 30, filed Jul. 9, 2025).

District court dismisses sua sponte petition to confirm NSA award under the Federal Arbitration Act, finding that "the FAA provides no standalone basis of subject-matter jurisdiction" and that the NSA contains no express or implied right of action to enforce or confirm an IDR award. Jeffrey Farkas, M.D., LLC v. Horizon Blue Cross Blue Shield of New Jersey, USDC ED NY, No. 1:25-cv-54-HG, — F.Supp.3d —, 2025 WL 1860241, (Doc. 30, filed Jul. 7, 2025). Previously reported at MCLU Vol. 264.

RECENTLY FILED ACTIONS

OON orthopedic surgeon seeks to collect NSA award associated with CPT 63047. Billed charges were \$64,999.98, the claim was denied, and the amount of award was \$64,999.98.

OON air ambulance seeks to collect NSA award. Total billed charges were \$5,197.22, amount allowed was \$2,658.18 and award was \$5,197.22.

OON neurological surgery provider seeks to collect NSA awards associated with CPT Codes 36227, 36226-RT, 37211, and 61645. Total billed charges were \$230,000, the allowed amount was \$1,721.54 in total, and aggregate award amount was \$188,000.

OON anesthesia provider seeks to collect NSA awards associated with CPT Codes 22853 and 22551. For CPT 22853, billed charges were \$86,000, the allowed amount was \$660.90, and the award amount was \$86,000. For CPT 22551, billed charges were \$92,300, the allowed amount was \$2,151, and the award was \$85,371.

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RECENTLY FILED ACTIONS

OON orthopedic surgery provider seeks to recover NSA awards associated with CPT Codes 63030 and 69990. For CPT 63030, billed charges were \$85,000, allowed amount was \$212.14, and award amount was \$72,000. For CPT 69990, billed charges were \$6,400, allowed amount was \$42.42, and award amount was \$6,400.

OON orthopedic surgeon seeks to recover NSA award associated with CPT Code 22612. Billed charges were \$51,485, allowed amount was \$1,285.03, and award amount was \$51,485.

OON neurosurgery provider seeks to collect NSA award associated with CPT Code 22327. Billed charges were \$82,000, allowed amount was \$15,067, and the award was \$32,000.

OON pain management provider seeks to collect NSA awards. For CPT 36226, billed charges were \$86,000, allowed amount was \$286.46, and award amount was \$64,000. For CPT 22614, billed charges were \$30,000, allowed amount was \$491.19, and award amount was \$25,000.

OON plastic surgeon seeks to collect NSA awards. Billed charges were \$66,000 for CPT 19340, and \$12,500 for CPT 15777. Both claims were denied. Award amounts were \$51,000 for CPT 19340 and \$12,500 for CPT 15777.

The Department of Treasury on behalf of the Department of Defense seeks to collect \$27,033.24 for an unpaid patient's bill dated Dec. 26, 2019, inclusive of interest, penalties, and administrative costs.

Putative class action in which chiropractor complains of reimbursement via prepaid debit cards, which involve 3.65% to 4.65% merchant service fees.

OON provider of intraoperative neuromonitoring seeks to recover NSA award in the amount of \$8,800 associated with CPT code 95940.

OON orthopedic and spinal surgery provider seeks to collect NSA awards associated with CPT codes 62321 and 77003. Billed charges were \$10,000 and \$2,866, respectively. Allowed amount was \$87.59 for CPT 62321, while the claim for CPT 77003 was denied. Total award amount was \$9,500.

OON plastic surgeon seeks to collect NSA award associated with CPT codes 64912 and 64913. Billed charges were \$25,445 and \$5,775, respectively. Allowed amounts were \$1,227.57 and \$236.85, respectively. Award amounts matched billed charges.

OON orthopedic surgeon seeks to collect NSA award associated with CPT codes 63052 and 63030-RT. Billed charges were \$9,200 and \$50,000, respectively. Both claims were denied. Award amounts matched the billed charges.

OON neurosurgery provider seeks to collect 3 NSA awards. For CPT 76377, billed charges were \$22,500, the claim was denied, and the award was \$22,500. For CPT 76000, billed charges were \$650, the claim was denied, and the award was \$650. For CPT 61154, billed charges were \$63,000, the allowed amount was \$174.74, and the award was \$21,391.

Removed action in which network hospital challenges practice of clinical validation audits. Plaintiff asserts more than \$2 million in claims has been wrongfully adjusted in conjunction with these clinical validation audits.

Member seeks ERISA benefits from self-funded plan for his minor child's mental health treatment. The claim was denied as investigational and not medically necessary, but plaintiff asserts that denial violates the Mental Health Parity and Addiction Equity Act.

OON neurosurgery provider seeks to collect NSA awards associated with treatment of 3 members. For CPT codes 22853, 22551 and 22552, total billed charges were \$216,500, total allowed amount was \$571.39, and the aggregate award amount was \$206,371.50. For CPT 63048, billed charges were \$75,000, the claim was denied, and the award was \$75,000. For CPT 61797, billed charges were \$18,909, allowed amount was \$476.44, and award amount was \$18,909.

OON provider of intraoperative neurophysiological monitoring services seeks to recover NSA awards associated with treatment of 4 members. For CPT codes 95941, 95886, and 95913, total billed charges were \$19,825, allowed amount was \$855.81 in total, and the aggregate award was \$19,589. For Patient 2, associated with CPT codes 95941, 95938, 95939, and 92650, total billed charges were \$38,325, the allowed amount was \$747.75 in total, and the aggregate award was \$38,195. For Patient 3, associated with CPT codes 95941, 95938, and 95861, total billed charges were \$18,975, the allowed amount was \$377.50 in total, and the aggregate award was \$18,864. For Patient 4, associated with CPT codes 95941, 95938, 95939, and 95865, total billed charges were \$44,275, the allowed amount was \$951.21 in total, and the aggregate award was \$44,164.

OON neurologist seeks to collect NSA award associated with CPT codes 95938, 95941, 95937, and 95861. The aggregate award was \$20,131.

OON orthopedic surgeon seeks to collect two NSA awards. For CPT 64488, billed charges were \$5,700, the claim was denied, and the award was \$5,583.82. For CPT 99285, billed charges were \$6,000, the allowed amount was \$107.46, and the award was \$6,000.

OON neurosurgery provider seeks to collect 3 NSA awards. For CPT 36227, billed charges were \$72,000, the allowed amount was 539.82, and the award was \$51,000. For CPT codes 20936 and 20930, total billed charges were \$10,000, allowed amount was \$677.98 in total, and aggregate award amount was \$4,610.26. For Patient 3, with CPT 61154, billed charges were \$63,000, allowed amount was \$1,557.62, and the award was \$21,391.

OON gynecologist seeks to collect 2 NSA awards. For CPT 99284, billed charges were \$10,000, the allowed amount was \$102.12, and the award was \$10,000. For CPT 59426, billed charges were \$10,000, the allowed amount was \$2,770, and the award was \$10,000.

OON pediatric orthopedics provider seeks to collect NSA awards associated with CPT codes 25605 and 99284. Total billed charged were \$8,139, the allowed amount was \$769.05 in total, and the aggregate award amount was \$8,139.

OON intraoperative neuromonitoring provider seeks to collect NSA award associated with CPT G0453. Billed charges were \$12,100, claim was denied, and the award was \$9,204.80.

OON provider seeks confirmation of 3 unspecified NSA awards with an alleged outstanding balance of \$34,661.

OON orthopedic surgeon seeks to collect NSA award associated with CPT 29824. Billed charges were \$26,010, allowed amount was \$4,605, and the award was \$26,010.

OON interventional neuroradiology provider seeks to collect NSA awards associated with treatment of 3 members. For CPT codes 36226-LT, 76377, and 36224, total billed charges were \$135,800, the allowed amount was \$1.070.57 in total, and the aggregate award was \$128,800. For Patient 2, associated with CPT 36224-RT, billed charges were \$33,436, allowed amount was \$1,784.10, and award amount was \$33,436. For Patient 3, associated with CPT codes 36223 and 36226-RT, total billed charges were \$109,800, allowed amount was \$686.53 in total, and aggregate award was \$84,800.

OON neurological surgery provider seeks to collect NSA award associated with treatment of two members. For CPT codes 24343-LT and 24579-LT, total billed charges were \$40,000, the allowed amount was \$246.10 in total, and the aggregate award was \$24,631.17. For Patient 2, associated with CPT 29823, billed charges were \$30,000, allowed amount was \$130.30, and award amount was \$30,000.

OON orthopedic surgeon seeks to collect NSA awards associated with CPT codes 24359 and 29823. Billed charges were \$16,650 and \$30,500, respectively. Both claims were denied. Award amounts were \$16,650 and 30,500, respectively.

OON orthopedic surgeon seeks to collect NSA awards associated with treatment of 3 members. For CPT 22325, billed charges were \$25,000, the allowed amount was \$1,875, and the award was \$25,000. For Patient 2, associated with CPT 22853, billed charges were \$26,000, the claim was denied, and the award was \$26,000. For Patient 3, associated with CPT 64493, billed charges were \$29,000, the claim was denied, and award amount was \$29,000.

OON ambulatory surgery center and alleged assignee seeks ERISA benefits and asserts underpayment associated with 2-leval spinal fusion. Total billed charges were \$397,245.95 and the amount paid was \$7,581.70. The paid amount was applied to CPT 22551, and \$0 was paid for all other CPT and HCPCS codes.

Insurer asserts systematic exploitation of No Surprises Act by certain providers who "knowingly submit false and fraudulent attestations of eligibility" and improperly inflate payment offers that are multiples above the billed charges, among other wrongful and coordinated conduct.

OON provider of intraoperative neuromonitoring services seeks to collect 4 NSA awards involving two members. For CPT 95861, the award was \$4,301. For CPT 95941, the award was \$27,000. For CPT 95938, the award was \$9,175. For the second member, which involved CPT codes 95941, 95938, 95939, and 95861, the aggregate award was \$51,864.

OON neurosurgery provider seeks to collect 5 NSA awards. For CPT 20930, the award was \$6,010. For CPT 20936, the award was \$5,500. For CPT 22855, the award was \$60,000. For CPT 27279, the award was \$28,530. For CPT 22612, the award was \$86,971.

Member seeks over \$150,000 in ERISA benefits for treatment following motor vehicle accident and asserts no benefits have been provided. Bases of denials or nonpayment are not stated in the complaint.

OON provider of intraoperative neuromonitoring services seeks to collect 7 NSA awards with an alleged aggregate award amount of \$32,700.

Removed action in which air ambulance provider seeks to collect alleged balance of \$17,900.94 owing on NSA awards.

OON plastic surgeon seeks to collect NSA awards associated with treatment of five members. For CPT codes 13131 and 99283, total billed charges were \$17,167, the total allowed amount was \$372.92, and the aggregate award was \$14,914. For Patient 2, associated with CPT codes 13151 and 99283, total billed charges were \$17,677, the total allowed amount was \$416.69, and the aggregate award was \$17,677. For Patient 3, associated with CPT 13132, billed charges were \$17,000, the allowed amount was \$455.96, and the award was \$17,000. For Patient 4, associated with CPT codes 13120 and 99283, total billed charges were \$10,667, the total allowed amount was \$357.16, and the aggregate award was \$8,000.65. For Patient 5, associated with CPT 13151, billed charges were \$17,010, the allowed amount was \$339.45, and the award was \$17,010.

OON provider of intraoperative neuromonitoring seeks to collect NSA awards associated with treatment of three members. For the first, with CPT codes 95941, 95938 and 95861, total billed charges were \$32,474, the allowed amount was 932.61 in total, and the aggregate award amount was \$32,364. For the second member, associated with CPT codes 95941, 95938, 95939 and 95861, total billed charges were \$47,475, the allowed amount was \$1,068.57 in total, and the aggregate award was \$41,500. For the third member, associated with CPT 95961, billed charges were \$5,300, the allowed amount was \$200.78, and the award was \$4,301. For the fourth member, associated with CPT 95938, billed charges were \$9,175, the allowed amount was \$52.22, and the award was \$9,175.

OON provider of intraoperative neuromonitoring services seeks to collect NSA award with 4 determinations. For CPT 95813, the award was \$5,000. For CPT 95861, the award was \$1,800. For CPT 95938, the award was \$1,000. For CPT 95937, the award was \$700.

Member seeks over \$58,000 in ERISA benefits associated with 12 weeks of residential treatment at blueFire Wilderness Therapy. The claims were denied as OON without prior authorization. Plaintiff additionally asserts violations of MHPAEA.

OON provider of intraoperative neuromonitoring seeks to collect NSA award involving 6 determinations. For CPT 95939, the award was \$6,500. For CPT 95938, the award was \$1,800. For CPT 95955, the award was \$1,500. For CPT 95861, the award was \$1,300. For CPT 95937, the award was \$400. For CPT 95941, the award was \$3,500.

Removed action in which hospital system seeks to recover \$1,887,933.51 associated with Medicare Advantage claims from 2018 to 2022. Plaintiffs assert that the MA plans inappropriately applied a CMS Discount Rule pertaining to the 340B program.

Removed action in which hospital system seeks to recover \$5,464,859.55 associated with Medicare Advantage claims from 2018 to 2022. Plaintiffs assert that the MA plans inappropriately applied a CMS Discount Rule pertaining to the 340B program.

OON provider challenges decision of NSA IDR in favor of payor involving CPT codes 95938, 95861, and 95939. IDR entity indicated in its judgment that the QPA was afforded the most weight, which plaintiff asserts is error.

OON plastic and reconstructive surgery provider seeks to collect NSA awards associated with treatment of four members. For CPT codes 13121 and 99283, total billed charges were \$13,505, both claims were denied, and the total award was \$12,730. For Patient 2, associated with CPT 13133, billed charges were \$24,000, the allowed amount was \$336.68, and the award was \$24,000. For Patient 3, associated with CPT S2068, billed charges were \$75,000, the claim was denied, and the award was \$5,500. For Patient 4, associated with CPT codes 99283 and 13132, total billed charges were \$21,340, both claims were denied, and the total award was \$19,680.

OON provider of intraoperative monitoring services provider seeks to confirm unspecified NSA awards.

Member seeks ERISA benefits associated with three oral surgeries arising from gastrointestinal problems. Total billed charges were \$107,290. Claims were denied pursuant to exclusions for outpatient dental services and no coverage for anesthesia.

OON neurosurgery provider seeks to collect NSA award associated with CPT 36224-50. Billed charges were \$84,000, the allowed amount was \$890.73, and the award was \$74,520.

OON provider of intraoperative neuromonitoring services seeks to vacate an NSA award related to CPT codes 95940, 95938, 95939 and 95861. Billed charges were \$13,500, \$9,175, \$15,000 and \$5,300, respectively, while allowed amounts were \$590.49, \$55.06, \$143.97 and \$98.77, respectively. The arbitrator selected the final offer of the insurer corresponding to the allowed amounts. Plaintiff asserts undue weight was improperly given to the QPA.

OON provider seeks to vacate an NSA award related to CPT codes 95940, 95938, 95939 and 95861. Billed charges were \$11,000, \$9,175.00, \$15,600.00 and \$5,337, respectively, while allowed amounts were \$385.50, \$375.95, \$480.24 and \$109.79, respectively. Arbitrator selected the final offer of the insurer of \$2,261.40, \$2,556.73, \$3,265.63 and \$746.57, respectively. Plaintiff argues undue weight was improperly given to the QPA.

OON neurosurgeon seeks to collect NSA award associated with CPT 61700-80. Billed charges were \$150,000, the allowed amount was \$701.22, and the award was \$52,800.

OON neurosurgeon seeks to collect NSA award associated with CPT 22830. Billed charges were \$87,000, the allowed amount was \$1,671.62, and the award was \$42,000.

OON ambulatory surgery center and alleged assignee seeks ERISA benefits associated with preauthorized back surgery and asserts underpayment. Total billed charges were \$453,869.70 and total amount paid was \$20,576.56.

Hospitals allege unlawful market allocation scheme, output restrictions, and price fixing against Blue Cross Blue Shield licensees.

ADDITIONAL NEWSWORTHY (REGULATORY)

Illinois Legislature passes act prohibiting spread pricing by PBM and requiring pass through of all rebates to the plan sponsor, covered individual, or employer. The act also imposes an annual PBM reporting requirement and requires that PBMs permit an annual audit by the plan sponsor or insurer of rebate and fee records. 2025 Ill. Legis. Serv. P.A. 104-27 (H.B. 1697) (West) (approved Jul. 1, 2025).

<u>Mitchell Hasenkampf</u> leads the firm's compliance practice group, which advises clients on matters including utilization review and prompt pay requirements for government and commercial plans, Member incentives, marketing and member communications, and Grievance and Appeal processes.

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ABOUT THE AUTHOR



Jonathan M. Herman is the founding member of Herman Law Firm, which represents health insurers, plan administrators, and self-funded plans in reimbursement disputes and compliance matters. He is also on the Roster of Arbitrators for the American Arbitration Association (Healthcare, Commercial) and a Neutral for the American Health Lawyers Association.



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