

Managed Care Litigation Update®

NEWSWORTHY

Tenth Circuit affirms grant of summary judgment to Medicaid Managed Care Organization where behavioral health provider asserted qui tam claims arising from alleged faulty claims system, finding the Relator failed to demonstrate the MCO acted with the necessary scienter for liability under the False Claims Act or state analog. *United States v. United Behav. Health, Inc.*, USCA 10 Cir., No. 25-2099, 2026 WL 2510573, 2026 U.S. App. LEXIS 26028, (Doc. 49, filed Aug. 26, 2026).

District court dismisses, without prejudice, certain claims against insurer, finding anti-assignment provisions prohibited standing on certain claims and finding court lacked personal jurisdiction over Blue Card defendant based solely on Blue Card allegations. *CHCA Bayshore, L.P. v. La. Health Serv. & Indem. Co.*, USDC ND TX, No. 3:25-cv-2895, 2026 U.S. Dist. LEXIS 188463, (Doc. 29, filed Aug. 21, 2026). Previously reported at *MCLU Vol. 283*. DISCLOSURE – I AM COUNSEL OF RECORD.

District court grants summary judgment to plan post-remand, finding that while earlier denial pursuant to ambiguous wilderness therapy was arbitrary, post-remand denial on the grounds that facility did not provide services that met the intensity of a clinical residential treatment center under the American Academy of Child and Adolescent Psychiatry Principles of Care for Treatment of Children and Adolescents with Mental Illnesses in Residential Treatment Centers ("AACAP Principles") was reasonable and supported by substantial evidence. *M.A. v. United Healthcare Ins. Co.*, USDC D UT, Doc. 1:21-cv-83-JNP, 2026 WL 2445395, 2026 U.S. Dist. LEXIS 188877, (Doc. 93, filed Aug. 20, 2026). Previously reported at *MCLU Vol. 178*.

RECENTLY FILED ACTIONS

Member seeks approximately \$50,000 in ERISA benefits for invitro fertilization and related procedures provided to member's spouse, alleging denial of both pre-authorization and post service claims.

Member seeks more than \$349,000 in ERISA benefits for an atrial fibrillation ablation with left atrial appendage occlusion performed on November 3, 2025. The claim was initially denied for lack of authorization and the denial was upheld on appeal on the basis of medical necessity. Plaintiff contends the service was preauthorized.

OON mental health and substance abuse disorder treatment providers and alleged assignee seek \$12,700,843.96 for treatment provided to eighty-three members between March 1, 2022 and March 15, 2026. Plaintiffs allege payers improperly use inapplicable Medicare rates, downcoded claims, relied on defective UCR databases, and applied bundled rates. Plaintiffs assert claims under ERISA, breach of contract for non-ERISA plans, breach of oral contract arising from verifications and preauthorizations, and promissory estoppel.

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RECENTLY FILED ACTIONS

Pro se member of Medicare advantage plans asserts abandonment by case manager without notice during cancer treatment for refusal of cancer treatment which member denies, failures in care coordination between providers and insurer during post operative rehabilitation, and delay and denial of alleged medically necessary care.

Member seeks more than \$85,000 in ERISA benefits under a self-funded plan for child's residential mental health treatment at True North Wilderness Program from June 4, 2024 to September 11, 2024. Plaintiff alleges payer initially approved coverage for twenty-two days, but later denied coverage for actual treatment period because facility did not meet "acute residential treatment" criteria and the services were considered a non-covered program. Plaintiff also asserts violation of MHPAEA.

Removed action in which network hospital system seeks not less than \$442,950.51 in benefits under the Blue Card Program for alleged underpayments by home plan of medical services provided to nine members between June 6, 2020 to January 3, 2024. Plaintiff asserts breach of implied-in-fact contract, promissory estoppel, account stated, unjust enrichment, and alternatively, quantum meruit.

Removed action in which estate representative seeks \$60,000 in benefits for deceased member's air ambulance transportation associated with procedure codes A0430 and A0424 from Teterboro Airport to El Salvador International Airport. The claims were denied on the grounds that the air ambulance transport process and precertification requirements were not followed. Plaintiff asserts breach of contract and seeks declaratory judgment.

Plaintiffs, as members of the Wit class action, seek retrospective relief under ERISA, recovery of benefits, and reprocessing of claims allegedly improperly denied based on UBH's 2011-2017 Level of Care Guidelines. Plaintiffs allege that the federal court previously found those guidelines to be inconsistent with generally accepted standards of care and overly restrictive.

Member seeks more than \$80,000 in ERISA benefits for child's residential mental health treatment at True North Evolution from November 12, 2024 to February 14, 2025. The claim was initially denied as non-covered. On appeal, a portion of the claim was paid, though the complaint asserts the basis was not stated. Plaintiffs also assert violation of MHPAEA.

Member seeks approximately \$538,220 in ERISA benefits for child's residential mental health treatment at True North Wilderness Programs (May 6, 2022 - August 24, 2022), Polaris Teen Center (October 4, 2022 - January 15, 2023), and Optimum Performance Institute (January 4, 2023 - July 27, 2023). The claim by True North was denied as not available or eligible. For Polaris, payer paid a portion (October 4, 2022 - November 8, 2022) but denied the remainder as not medically necessary at residential level of care. The Optimum claim was denied initially for records mismatch, then for lack of provider licensure and finally for an untimely appeal. Plaintiff also asserts violation of MHPAEA.

Member seeks \$78,309.29 in ERISA benefits for a pre-approved hardware removal and emergency surgical fixation of the right patella fracture performed by an OON surgeon. Plaintiff asserts payer improperly classified the claims as non-emergency inpatient services.

Member seeks \$77,625 in ERISA benefits for dependent's residential mental health treatment at Second Nature Therapeutic Program from August 22, 2023 to January 3, 2024. The claim was denied pursuant to a wilderness therapy exclusion. Plaintiffs also assert violation of MHPAEA.

Removed action in which network nursing home seeks approximately \$1,111,793.56 for services provided to sixteen members between May 2024 through May 2026. Plaintiff asserts breach of contract, breach of implied covenant of good faith and fair dealing, unjust enrichment, quantum meruit, account stated, and promissory estoppel.

Member seeks ERISA benefits from a self-funded plan for child's residential mental health treatment at Building Bridges. Plaintiff alleges coverage was approved for the initial admission and several weeks of treatment, but that payer underpaid the approved counseling claims and denied the remaining claims either as not medically necessary or for lack of authorization. Plaintiff also asserts violation of MHPAEA.

In-home care provider seeks \$112,730 in benefits for services rendered to member from March 2024 to February 2025. Provider alleges the claims were initially denied due to incorrect billing codes and inconsistent place of service, but that the claims were resubmitted on the representation that they would be permitted to be reprocessed, but resubmitted claims were denied as untimely.

Member seeks ERISA benefits for reconstructive jaw and airway surgery and asserts that payer preauthorized the OON procedure and agreed to the network benefit level of reimbursement. The billed charges were \$53,882.86 and the plan paid \$9,000.

Member seeks \$245,655 in ERISA benefits for child's residential mental health treatment at First Light Wilderness from August 28, 2023 to November 24, 2023, and May 2, 2024 to July 10, 2024. Payer allegedly denied part of the first admission as OON and left remaining claims unprocessed; claims for the second admission were also unprocessed and later denied as untimely appealed. Member also asserts violation of the MHPAEA.

Removed action in which member seeks benefits for prostate cancer treatment and asserts payer improperly denied preauthorization for proton beam therapy (PBT) as not medically necessary under Carelon's Medical Benefits Clinical Guidelines and delayed approval of androgen deprivation therapy. Plaintiff contends that 36 O.S. § 6060.9b prohibits insurer from applying a higher standard of clinical evidence to PBT than to other forms of radiation therapy. Plaintiff asserts breach of contract and insurer bad faith.

Insurer seeks recoupment of over \$20 million from billing company and asserts that OON residential substance abuse treatment providers engaged in a systematic scheme involving patient brokering, inflated or fictitious charges, duplicate billing, and reimbursement manipulation to maximize illicit profits. Plaintiff asserts violations of the Substance Abuse Enterprise against billing company, violations of RICO against providers, fraud and fraudulent concealment, unjust enrichment, and money had and received.

Removed action in which healthcare system and alleged assignee seeks \$18,277.47 in benefits under a negotiated contract for health services provided to member from July 28, 2023 to August 7, 2023. Payer allegedly denied claims for failure to submit itemized billing statement. Plaintiff asserts breach of contract, breach of covenant of good faith and fair dealing, and unjust enrichment.

OON providers seek \$133,809.24 in benefits associated with IV infusion treatments and a pain management surgical procedure. Plaintiffs assert that they believe the member received insurance benefits but did not reimburse the providers and that the insurer should have recognized the assignment of benefits.

Member asserts RICO claims associated with use of pVerify program for coordination of benefits. Plaintiff asserts the program is inaccurate but is nonetheless continued to be used to fraudulently label coverage as secondary that should be primary.

RECENTLY FILED ACTIONS – NSA CLAIMS

OON plastic surgeon seeks to collect NSA awards for medical services provided to five members. The awards were \$62,192.50 CPT codes 35703, 38530-RT, 15003, and 15002-LT; \$236,100 for CPT codes S2068-AS, 15860-AS, and 15003-AS-RT; \$446,479.60 for CPT codes 38530, 15002-AS, 36590-AS, 15860-AS, 11971, 32900-AS, 35703-AS, 38530-AS, 35703, 15002-LT, 15860, 19370, 11971, and S2068; \$37,671.15 for CPT codes 32900-LT and 38530-LT; and \$77,305 for CPT codes 1191-50 and 32900. Plaintiff seeks confirmation of IDR determinations, and alternatively, asserts violation of NSA, breach of contract, breach of implied covenant of good faith and fair dealing, third-party beneficiary, declaratory judgment, account stated, quantum meruit, and unjust enrichment.

OON plastic surgeon seeks to collect NSA awards for medical services provided to three members. The awards were \$194,506 for CPT codes 19371-LT, 35216-LT, 32900-LT, and S2068-LT; \$21,913.59 for CPT 32900-RT-80-59; and \$22,420 for CPT 15002-LT. Plaintiff seeks confirmation of IDR determinations, and alternatively, asserts violation of NSA, breach of contract, breach of implied covenant of good faith and fair dealing, third-party beneficiary, declaratory judgment, account stated, quantum meruit, and unjust enrichment.

Removed action in which OON neurosurgeon seeks to collect NSA award associated with CPT 22551. The billed charges were \$66,000, payment was \$225.59, and the award was \$40,000. Plaintiff asserts unjust enrichment, quantum meruit, breach of contract, breach of implied covenant of good faith and fair dealing, declaratory judgment, account stated, violation of NY Insurance Law § 3224-a, and alternatively, third-party beneficiary.

OON plastic surgeon seeks to collect an NSA award associated with CPT 19350-50-59. The billed charges were \$130,000, payment was \$1,065.43, and the award was \$130,000. Plaintiff seeks confirmation of IDR determinations, and alternatively, asserts violation of NSA, breach of contract, breach of implied covenant of good faith and fair dealing, third-party beneficiary, declaratory judgment, account stated, quantum meruit, and unjust enrichment.

Removed action in which OON plastic surgeon seeks to collect NSA awards for treatment of five members. The awards were \$51,973.88 for CPT codes 13102-58-59, 11404-58-59, and 13101-58-59; \$112,500 for CPT 19318-50-80; \$75,000 for CPT 19318-50; \$459,185.98 for CPT codes 143302-80 (28 units) and 14301-80; and \$75,000 for CPT 19318-50-80. Plaintiff asserts unjust enrichment, quantum meruit, breach of contract, breach of implied covenant of good faith and fair dealing, declaratory judgment, account stated, violation of NJ Prompt Payment of Claims Act, and alternatively, third-party beneficiary.

Removed action in which OON plastic surgeon seeks to collect NSA awards associated with CPT codes 13152 and 99282-25. The billed charges were \$32,900 and total payment was \$363.81. Plaintiff seeks compensatory damages of \$32,536.18 as full reasonable value of services including IDR awards. Plaintiff asserts unjust enrichment, quantum meruit, declaratory judgment, account stated, and violation of NJ Prompt Payment of Claims Act.

Removed action in which OON surgeon seeks to collect NSA awards associated with CPT codes 47562 and 99223. The billed charges were \$53,200, total payment was \$1,421.62, and the aggregate award was \$45,220. Plaintiff asserts unjust enrichment, quantum meruit, breach of contract, breach of implied covenant of good faith and fair dealing, declaratory judgment, account stated, violation of NY Insurance Law § 3224-a, and alternatively, third-party beneficiary.

OON plastic surgeon seeks to collect NSA awards for treatment of six members. The awards were \$38,000 for CPT 19357-RT; \$463,868.84 for CPT codes 19318-LT, 14302-RT (5 units), 14301-RT, 14301-AS-RT, and 15570-AS-RT (2 units); \$67,500 for CPT 15777-RT; \$127,138.31 for CPT codes 13102-AS (7 units) and 19380-AS-50; \$220,000 for CPT 19318-AS-50; and \$108,000 for CPT 14302-RT-59 (6 units). Plaintiff seeks confirmation of IDR determinations, and alternatively, asserts violation of NSA, breach of contract, breach of implied covenant of good faith and fair dealing, third-party beneficiary, breach of implied-in-fact contract, declaratory judgment, account stated, quantum meruit, and unjust enrichment.

Removed action in which OON plastic surgeon seeks to collect NSA awards related to treatment of two members. For Member One, CPT 19318-50 was billed at \$97,314, payment was \$37,500, and the award was \$75,000. For Member Two, CPT 64450-80-59 was billed at \$15,000, claim was denied, and the award was \$15,000. Plaintiff asserts unjust enrichment, quantum meruit, breach of contract, breach of implied covenant of good faith and fair dealing, declaratory judgment, account stated, violation of NJ Prompt Payment of Claims Act, and alternatively, third-party beneficiary.

Removed action in which OON orthopedic surgeon seeks to collect NSA awards associated with CPT codes 64714 and 63035. The billed charges were \$77,800, payment was \$231.84 for CPT 63035, and the aggregate award was \$77,800. Plaintiff asserts unjust enrichment, quantum meruit, declaratory judgment, account stated, and violation of NJ Prompt Payment of Claims Act.

OON air ambulance provider seeks approximately \$854,038.44. Plaintiff seeks confirmation of IDR determinations under NSA, FAA, and Virginia Arbitration Act, and asserts claim enforcement and breach of fiduciary duties under ERISA.

Removed action in which OON spinal surgery practice seeks to collect NSA awards related to treatment of three members. For Member One, CPT 69990 was billed at \$6,555; the award was \$6,400. For Member Two, CPT codes 22845 and 22853 were billed at \$114,114; the aggregate award was \$91,921. For Member Three, CPT codes 22853 and 22845 were billed at \$133,073; the aggregate award was \$128,156. Plaintiff asserts unjust enrichment, quantum meruit, breach of contract, breach of implied covenant of good faith and fair dealing, declaratory judgment, account stated, violation of NJ Prompt Payment of Claims Act, and alternatively, third-party beneficiary.

OON air ambulance provider seeks to recover \$333,067.37 in NSA awards. Plaintiffs assert claims under the NSA, FAA, Missouri Uniform Arbitration Act, and ERISA.

OON air ambulance provider seeks to recover \$1,360,976.73 in NSA awards. Plaintiffs assert claims under the NSA, FAA, Indiana Arbitration Act, and ERISA.

RECENTLY FILED ACTIONS – ANTITRUST CLAIMS (MULTIPLAN)

OON healthcare system asserts antitrust claims associated with use of Multiplan pricing tools to determine OON reimbursement rates. Plaintiff also asserts violations of State and D.C. Antitrust Statutes, and State Consumer Protection Laws, as well as unjust enrichment.

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ADDITIONAL NEWSWORTHY (REGULATORY)

California legislature adopts act that requires mental health and behavioral health coverage “in compliance with specified rules, regulations, and guidance as they existed on January 1, 2025,” effectively codifying as state law the 2024 MHPAEA Final Rule. 2025 CA AB 2011 (enrolled Aug. 26, 2026).

[Mitchell Hasenkampf](#) 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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CIGNA	Cigna Health and Life Insurance Company	Cara Z	2016-3-7	S.D. FL	Eleventh	52	Cara Z v. CIGNA Health and Life Insurance Company, U.S.D.C. S.D. FL, Doc. No. 1:16-cv-20849-DPG, (fl...	Minor child seeks recovery of mental health benefits associated with residential treatment at Olive...	Darrin P. Gayles
BCBS	Excellus Blue Cross Blue Shield	Kirby L.	2016-10-3	N.D. NY	Second	66	Kirby L. v. Excellus Health Plan, Inc., et al., U.S.D.C. N.D. NY, Doc. No. 3:16-cv-01195-DNH-DEP, (f...	Plaintiff, who suffers from an eating disorder, depression, and anxiety, seeks recovery of mental h...	David N. Hurd
UNITED	United Healthgroup, Inc.	Jamie Bushell	2017-3-19	S.D. NY	Second	77	Jamie Bushell, et al. v. United Healthgroup, Inc., et al., U.S.D.C. S.D. NY, Doc. No. 1:17-cv-02021-...	Putative class action in which plaintiff, who suffers from anorexia nervosa, contends defendants den...	J. Paul Oetken

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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