

## Litigation Update: Another Health Plan Lawsuit Alleging Mismanagement by Third Party Administrator

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**PRACTICES** Employee Benefits and Executive Compensation

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A recent complaint (“**Complaint**”) brought by Owens & Minor, Inc., in its capacity as plan sponsor of the Owens & Minor, Inc. Group Health Plan, a self-funded plan (the “**Plan**”), asserts that the Plan’s third party administrator, Anthem Blue Cross and Blue Shield (the “**TPA**”), breached its fiduciary duties to the Plan under ERISA. Specifically, the Complaint alleges that the TPA grossly overpaid certain medical claims on behalf of the plan sponsor and also pocketed pharmaceutical rebates that should have been paid to the Plan.

This Complaint is another example of the increased scrutiny that third party administrators and other service providers have recently encountered challenging their management of self-funded group health plans. We previously reported on the *Lewandowski v. Johnson & Johnson* class action lawsuit [here](#), which alleges breaches of fiduciary duties relating to excessive fees. However, unlike *Lewandowski* where the participants filed a class action against the plan sponsor, this Complaint was brought by the plan sponsor against the TPA. If this Complaint proceeds to trial, the court will have an opportunity to provide guidance on the rights and duties of health plan sponsors and third party administrators.

The Complaint for in *Owens & Minor, Inc. v. Anthem Health Plans of Virginia, Inc.* is available [here](#).