

Anti-Assignment Clause in Health Plan Prevents Physician from Asserting ERISA Claim

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In the case of *Torpey v. Blue Cross Blue Shield of Texas*, a medical doctor had obtained documents from his patient (the “**Participant**”), which provided that the doctor (1) was entitled to receive all of the benefits under Participant’s employer-sponsored group health plan (the “**Plan**”), and (2) was authorized to represent Participant in any appeals to the employer or insurance company that provided benefits under the Plan. The doctor was not a participating provider in the Plan’s network, and the Plan did not cover out-of-network services. When Participant’s claim for Plan benefits was denied, the doctor exhausted the Plan’s administrative appeals and then filed a claim in federal court for denial of benefits under the Employee Retirement Income Security Act of 1974, as amended (the “**ERISA**”). The Plan’s insurance policy contained a provision which stated that rights and benefits under the Plan were not assignable, either before or after the services were performed. The federal court dismissed the doctor’s ERISA claim for lack of standing, holding that the anti-assignment clause was unambiguous and thus any purported assignment by Participant to the doctor of rights under the Plan, including the right to bring a civil action, was null and void. The lesson from this case is that a clearly written anti-assignment clause (which could be applied only to a plan’s out-of-network healthcare providers) may offer a legal means for plan sponsors to defend against spurious claims that are brought by out-of-network providers against the plan. *Torpey v. Blue Cross Blue Shield of Texas*, No. 12-cv-7618 (D.N.J. Jan. 30, 2014).