

Anti-Assignment Provision Must Specifically Apply to Healthcare Service Providers

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A surgery center in Houston sued a self-funded, employer-sponsored group health plan under an “Assignment of Benefits and Designation of Authorized Representative.” The U.S. District Court for the Southern District of Texas denied the plan’s motion to dismiss, stating that the plan’s anti-assignment clause did not prohibit assignments of benefits claims to healthcare service providers. These types of demands by out-of-network providers are increasingly common and becoming more burdensome than just a nuisance for employers that sponsor self-funded plans subject to ERISA. Such employers are encouraged to review their plans’ anti-assignment clauses to ensure they specifically apply to certain types of healthcare service providers. In this case, the court’s order did not discuss whether the parties had raised the issue concerning the right of the provider to continue litigation as the participant’s authorized representative, even if the anti-assignment clause was found to be applicable to such provider. The court order can be found [here](#).