

Out-of-Network Hospital Prevails in ERISA Claims Against Cigna

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In the case of *Connecticut General Life Insurance Company v. Humble Surgical Hospital, LLC*, Cigna, as third-party administrator for various group health plans subject to ERISA (the “**Plans**”), sued Humble Surgical Hospital (“**Humble**”), an out-of-network provider, to recover overpayments Cigna had allegedly paid to Humble as a result of Humble’s “fraudulent billing practices,” such as waiving patients’ financial responsibility under the terms of the Plans. Prior to bringing its suit, Cigna had begun processing claims submitted by Humble outside of its standard claims processing model, based on Cigna’s determination that such claims were fraudulent. This resulted in Cigna paying significantly less on Humble’s claims than it would have paid if Cigna’s standard out-of-network repricing methodology had been utilized. Consequently, Humble countersued Cigna under ERISA, based on its status as an assignee of the Plans participants’ claims, seeking payment for underpaid claims as well as monetary penalties under ERISA for Cigna’s failure to provide plan documents to Humble in a timely manner. The court dismissed all of Cigna’s claims and awarded Humble over \$11 million based on underpaid claims, plus over \$2 million in penalties. Employers should review, and amend as appropriate, provisions in their group health plans regarding out-of-network providers. The court’s opinion is available [here](#).