

Department of Labor Sues UnitedHealth TPA Over Claim Denials

Article By:

Steven L. Imber

Henry Talavera

Jennifer L. Osborn

Justin T. Liby

Department of Labor Sues UnitedHealth TPA Over Claim Denials

The Department of Labor (DOL) has filed a lawsuit against UnitedHealth Group (UHG) and its subsidiaries, UnitedHealthcare (UHC) and UnitedHealthcare Insurance Company (UHCIC), alleging that they have violated the Employee Retirement Income Security Act (ERISA) by denying claims for benefits under their self-insured health plans. The lawsuit, filed in the U.S. District Court for the District of Columbia, is the first of its kind and seeks to establish a precedent for the DOL's enforcement of ERISA. The DOL claims that UHG and its subsidiaries have engaged in a pattern of wrongful claim denials, including the use of "junk" medical records and the failure to provide adequate notice of denial. The lawsuit also alleges that UHG and its subsidiaries have engaged in a pattern of "cherry-picking" cases to litigate, while settling or denying claims in other cases. The DOL seeks to enjoin UHG and its subsidiaries from continuing their alleged wrongful practices and to recover costs incurred in the lawsuit. The lawsuit is part of the DOL's broader effort to enforce ERISA and protect the rights of employees and their families to health care benefits. The DOL has previously taken action against employers and health plans for alleged ERISA violations, but this lawsuit is the first to target a major health insurer. The lawsuit is expected to have significant implications for the health care industry and for the DOL's enforcement of ERISA.

© Polsinelli PC, Polsinelli LLP in California

National Law Review, Volumess XIII, Number 324

Source URL: <https://www.natlawreview.com/article/department-labor-sues-unitedhealth-tpa-over-claim-denials>