

Medical Group Practice Files Lawsuit Against UnitedHealthcare

Claims United fails to negotiate in good faith, forces them out of network, increases costs to employers

Envision Health Care and other medical practices in Florida have filed a lawsuit against UnitedHealthcare (United), accusing the nation's largest commercial health insurance company of drastically reducing reimbursement rates which forced them out of network. Moreover, the complaint alleges that this practice intentionally drove business to United's subsidiary, Optum.

Envision is a national medical group providing physician services primarily in the areas of emergency medicine, hospitalist services, anesthesiology, radiology and neonatology. Envision accuses United of failing to negotiate in good faith and forcing providers out-of-network, where it can pay even lower rates, ultimately with the intention of boosting its profits.

The lawsuit states, "United's scheme is simple: issue drastically reduced 'take it or leave it' reimbursement rates during contract negotiations to force providers out of its networks, rather than pay them fair and reasonable rates for their services, including saving lives during an unprecedented pandemic. Once United successfully forces a provider out of network, United then intentionally and significantly underpays the now 'out-of-network' provider, often at rates even lower than the contract rates offered."

Further, as United underpays the out-of-network providers, it then charges the patient's plan a surcharge for finding savings under the terms of "shared savings" programs. Ultimately, they claim, this results in increased fees and costs passed on to employers.

Finally, the complaint alleges that United's intention is to drive business to its subsidiary, Optum, which operates the largest physician practice organization in the country and is a direct competitor to Envision's medical providers.

The complaint lists several examples of what it calls unfair tactics that United uses to shortchange doctors. These include downcoding claims, underpaying out-of-network medical providers, paying less than the cost of supplies for COVID testing and vaccines, ending out-of-network coverage for substance abuse rehabilitation services and proposing to retroactively deny coverage for emergency department visits, only to rescind the proposal after significant public criticism.

"United's business practices ultimately increase costs and deprive patients of their right to choose their doctors. Patients trust doctors, not insurance executives, when making decisions about their health and the well-being of their families. When United forces providers out of network, patients face higher out-of-pocket cost-sharing requirements for suddenly out-of-network providers, while being left with fewer in-network providers to access," the complaint states.

While Envision claims United's practices are being implemented against medical practices across the country, the lawsuit has been filed in Florida, and they are seeking millions of dollars in underpayments for services provided to United commercial health plan members in the state of Florida during 2021.