Lawsuit Filed Against UnitedHealth Group, Subsidiary for Use of AI to Deny Care

A lawsuit filed this week against UnitedHealth and its subsidiary NaviHealth claims the groups illegally used artificial intelligence (AI) in place of medical professionals and wrongfully denied care to elderly patients under Medicare Advantage plans. The lawsuit claims that the company knew their AI model has a 90% error rate.

The lawsuit was filed in the United States District Court of Minnesota. The two primary plaintiffs in the case are the families of two deceased Wisconsin residents who had to pay out-of-pocket for care that, according to the complaint, was medically necessary care prescribed by the patient's doctors.

At issue is the AI model used to predict when a patient who has been discharged from a hospital to a skilled nursing facility (SNF) will be subsequently discharged from the SNF. Under Medicare Advantage plans, patients who have had a three-day hospital stay are typically eligible for up to 100 days in a nursing home. The AI algorithm attempts to predict the amount of post-acute care a patient should require by comparing a patient's diagnosis and other factors to similar patients.

The case filing suggests that care is stopped prematurely, without considering individual patient conditions and circumstances or doctors' recommendations.

"When the insurer decides to end coverage before the doctor's requested discharge date for the patient, the patients are left with an impossible choice: to either forgo their post-acute care despite not being well enough to function without it or pay out-of-pocket to continue receiving care they were wrongfully denied," the document states.

Among other violations, the class action lawsuit alleges that UnitedHealth and NaviHealth should be held accountable for "unjust enrichment," meaning that they knowingly charged insurance premiums for a service that they failed to deliver. Other alleged violations include breach of contract, breach of good faith and fair dealing, and insurance law violations in multiple states, including Wisconsin.

UnitedHealth has reportedly stated that the AI tool is not used to make coverage determinations, and the lawsuit is without merit.

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