

# Modern Healthcare

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## UnitedHealth Group subsidiary must revamp behavioral healthcare coverage, judge rules

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Kris Tripplaar/Sipa USA

United Behavioral Health manipulated internal guidelines to deny mental health coverage so it could "protect its bottom line," a federal judge wrote.

A federal judge ordered a [UnitedHealth Group](#) subsidiary to revamp its behavioral health claims processing after the insurer wrongfully denied mental health and substance use disorder treatment coverage to tens of thousands of its members.

Chief Magistrate Judge Joseph Spero wrote that United Behavioral Health manipulated internal guidelines to deny mental health coverage so it could "protect its bottom line." The company then lied to state regulators and UBH executives overseeing the guidelines, and deliberately attempted to mislead the court, Spero wrote in the [Nov. 3 court filing](#).

To remedy the "pervasive and long-standing" Employee Retirement Income Security Act violations and prevent them from happening again, UBH must reform its claims processing so that coverage is based on generally accepted standards of care. It must implement a training program for all personnel involved in clinical coverage, under the oversight of a court-appointed independent monitor. The judge also ordered UBH to reprocess the more than 67,000 claims in question.

"The evidence showed that UBH executives put in place business practices that ensured that financial considerations would take precedence over faithful administration of class members' plans," Spero wrote in the court filing, adding that UBH witnesses tried to mislead the court as to the meaning of the guidelines. "These financial considerations may tempt (UBH) to commit future violations."

UnitedHealth Group said in a statement that it has increased coverage through clinician-developed, evidence-based guidelines over the last several years, as it has expanded its provider network and boosted its digital platforms.

"We are focused on ensuring our members get the quality, compassionate care they need, and will continue working closely with people across the behavioral health community on this important issue," the company said.

This case is indicative of a larger problem, the lawyers representing the plaintiffs claim.

For-profit insurers have been discriminating against mental health patients for years, largely without government scrutiny, said D. Brian Hufford, who leads Zuckerman Spaeder's health insurance practice.

"The nation's largest insurer has been exposed for deliberately limiting coverage, knowing thousands of people would be left with inadequate or incredibly expensive care, or no care at all. But the real shock of this case is that it's actually not much of a shock at all," he said in prepared remarks.

Under ERISA, which sets minimum standards for most voluntarily established retirement and health plans by private-sector employers, plaintiffs have the right to force administrators like UBH to correct their illegal behaviors as well as recover benefits owed to them. But they cannot collect punitive monetary awards under the statute, the plaintiff's lawyers noted.

Although, UBH owes interest on all benefits it pays to class members involved in the suit after the claims are reprocessed, the court ordered.

Spero's order stems from a March 2019 ruling in favor of more than 50,000 plaintiffs who claimed that UBH's behavioral health coverage decisions were being made based on intentionally flawed guidelines.

Demand for mental healthcare has long exceeded the supply of clinicians, and coverage gaps have made it even harder for people to get therapy, substance abuse treatment and other services. The [COVID-19](#) pandemic has [exacerbated these systemic problems](#).

Despite the passage of the Mental Health Parity and Addiction Equity Act in 2008, which ended many financial and administrative barriers to treatment, it is still difficult for the commercially insured to find a provider that accepts their health plan, experts said.

Inline Play

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