The ERISA Edit: Mental Health, IDR, and Who Owns Claims Data Anyway?

Employee Benefits Alert
02.16.2023

Benefits Claims Administrator Defeats Putative Class Action Challenging Mental Health Guidelines

UMR, Inc., a benefit claims administrator, was awarded summary judgment in its favor against claims that it violated ERISA when adopting and applying overly restrictive guidelines to deny benefits for residential mental health and substance use disorder treatment. The named plaintiffs sought relief for a putative class of participants in multiple plans administered by UMR whose claims for residential treatment benefits were denied under UMR's behavioral health "level-of-care guidelines." The U.S. District Court for the Western District of Wisconsin disposed of the case in full. Based on the evidentiary record, the court first decertified the class, holding that "whether plaintiffs and class members could obtain effective relief from reprocessing, and thereby establish standing, will require an individual, fact intensive inquiry and vary substantially among class members." Although the court held that the named plaintiffs had established standing to proceed on their individual claims, the court then ruled against them on the merits, finding that UMR had not abused its discretion by adopting and applying the level-of-care guidelines. Plaintiffs argued that the guidelines were more restrictive than generally accepted standards of care for mental illness and substance use disorders. The court stated that the plaintiffs ignored additional components of the medical necessity review set forth in the plan terms and the role that medical experts played in developing and applying the guidelines. *Berceanu v. UMR, Inc*., No. 19-cv-568 (W.D. Wis. Feb. 10, 2023).

No Surprises Act Payment Determination Disputes Put on Hold

Earlier this week, a Department of Labor (DOL) official reported that the backlog of payment determination disputes between healthcare providers and payors in the Independent Dispute Resolution (IDR) portal set up under the No Surprises Act exceeds 200,000. According to the official, some of those disputes are not even eligible for the IDR process, which has contributed to the unexpectedly large backlog. Meanwhile, in response to a recent district court decision vacating a regulation governing those disputes, the Centers for Medicare & Medicaid Services (CMS) issued a Notice instructing IDR entities to put a halt on payment determinations until receiving further guidance from the DOL, the Department of Health and Human Services (HHS), and the Department of the Treasury.

A Case We're Watching

The plan sponsor and named fiduciary of the self-funded Owens & Minor Flexible Benefits Plan filed a lawsuit against the plan's third-party administrator (TPA), Anthem Health Plans of Virginia, alleging the latter failed to provide requested claims data and other information plaintiff asserts it needs to carry out its fiduciary administration and monitoring duties under ERISA. This case raises important questions about who owns the claims data, whether all or part of that data is proprietary and confidential information belonging to the TPA and, if so, when and under what circumstances does that occur? *Owens & Minor, Inc. v. Anthem Health Plans of Virginia, Inc*., No. 3:23-cv-115 (E.D. Va. Feb. 13, 2023).

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