

How 'Cigna vs. Humble' Ruling Impacts the OON Providers

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Recently, a major law decision in Texas will impact OON reimbursement with smaller physician owned medical groups and hospitals. On June 1st, in the case of '**Cigna vs. Humble**', a judge ordered Cigna to pay more than 11 million dollars in restitution to a physician owned hospital, along with a penalty for violating the guidelines of ERISA healthcare plans. Cigna's initial complaint was that the hospital group (which is out of network), was intentionally inflating their claims to the insurance carrier to receive higher reimbursement, along with allegations that the hospital was not making an adequate attempt to collect patient responsibility. This was deemed as a violation of the red flag rule regarding kickbacks for doctors within the system. Cigna's plea was dismissed because they were seen as using their own plan provisions to be unreasonably harsh towards Humble, the insurer could not prove any evidence that the facility was engaging in any illegal discounts towards patient balances, and the services that were paid and then attempted to be recouped were deemed medically necessary because there was no proof that the service was billing Cigna excessively for OON services.

The decision is a huge break for smaller physician groups and hospitals who may not have the resources to fight a lawsuit from a health insurance company. The precedence from this decision in Texas means that providers have obligations to justify payment for the services they render to patients regardless of their participation status and a health insurance carrier must be able to prove that a provider is in clear violation of contracted guidelines before undertaking in a recoupment of payment. Consequently, Cigna did not adequately provide their case when seeking refunds from Humble, therefore, their negligence caused their claim to be dismissed and a large counterclaim had to be repaid. Unfortunately, with an increasing number of insurance companies and third party administrators acting on an insurers behalf, this is becoming a trend against smaller provider groups. However, the decision proves that insurances are not always in the right in the eyes of the law. Any recoupment, big or small, should be contested.