

AMA and 2 States Join Class Action Lawsuit Against Cigna's Insurance Billing Practices

September 20, 2022

A leading physician organization is lining up against one of the nation's largest health insurers in a legal fight over insurance billing.

The [American Medical Association](#) (AMA) this week announced it would join a class action lawsuit filed against [Cigna](#). The complaint alleges the health insurer underpaid patients' claims, violating terms of its own plans, along with the federal Employee Retirement Income Security Act of 1974, which sets minimum standards for most retirement and health plans in private industry.

The lawsuit was filed in June in the U.S. District Court-District of Connecticut and has become the subject of multiple [news reports](#). The [complaint](#), as published by corporate watchdog organization Classaction.org, stated Cigna entered into contracts with more than 1.2 million health care providers through MultiPlan Corp., the nation's largest "third party network" company.

Those participating providers, also known as in-network providers, agreed to accept a set percentage of billed charges as payment in full. They also would not hold patients liable for the difference between original billed charges and the discounted rates, the complaint said.

However, the lawsuit alleges Cigna wrongly processed patients' health insurance claims received from participating providers by applying lower reimbursement methodologies for nonparticipating, or out-of-network, providers. That led to underpaid claims and, for patients, the threat of balance billing by health care providers, the lawsuit said.

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Three patients who filed the lawsuit had claims that totaled tens of thousands of dollars for procedures. All used their health insurance plan internal appeals processes. "All of the appeals were denied," which entitles them to seek relief through court, the lawsuit said.

Although an exact number of patients involved is unknown, the plaintiffs' attorneys expect it to involve thousands of insureds. Cigna's [corporate profile](#) did not specify an exact number of insureds, but said the company has 17 million global medical customers.

AMA President Jack Resneck, MD, ripped the health insurance giant for alleged "misconduct ... riddled with conflicts of interest and manipulations that routinely shortchanged payment to MultiPlan Network physicians." The company interfered with the physician-patient relationship by making incorrect statements about how much patients owed for medical care, he said.

"Patients and physicians have a right to expect health insurers to uphold their promise to provide fair and accurate payment for medical services. But alleged misconduct by Cigna has allowed the insurer's economic self-interest to be prioritized ahead of their promises to physicians in the MultiPlan Network and their patients," Resneck said. "By joining *Stewart v. Cigna* as a plaintiff, the AMA hopes to shed light on Cigna's misconduct and create remedies so that patients and physicians can look forward to getting what they are promised."

Along with AMA, the Washington State Medical Association (WSMA) and the Medical Society of New Jersey (MSNJ) are joining the case.