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14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA

16 PACIFIC RECOVERY SOLUTIONS d/b/a
17 WESTWIND RECOVERY, MIRIAM
18 HAMIDEH PHD CLINICAL
19 PSYCHOLOGIST INC. d/b/a PCI
20 WESTLAKE CENTERS, BRIDGING THE
GAPS, INC., SUMMIT ESTATE
21 RECOVERY CENTER, INC., on behalf of
themselves and all others similarly situated,

22 Plaintiffs,

23 vs.

24 UNITED BEHAVIORAL HEALTH, a
25 California Corporation, and MULTIPLAN,
26 INC., a New York Corporation,

27 Defendants.
28

Case No.: 4:20-cv-02249-YGR

FIRST AMENDED CLASS ACTION
COMPLAINT

JURY TRIAL DEMANDED FOR ALL
ISSUES SO TRIABLE

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FIRST AMENDED CLASS ACTION COMPLAINT

1
2 Plaintiffs Pacific Recovery Solutions d/b/a Westwind Recovery, Miriam Hamideh PhD
3 Clinical Psychologist Inc. d/b/a PCI Westlake Centers, Bridging the Gaps, Inc., Summit Estate
4 Recovery Center, Inc., bring this action on behalf of themselves and all other similarly situated
5 out-of-network behavioral health providers (collectively, the “Plaintiffs”) that provide Intensive
6 Outpatient Program treatment (“IOP”) against defendants United Behavioral Health, Inc.,
7 (“United”) and MultiPlan, Inc. (“MultiPlan”) and allege the following:

8 **Introduction**

9 1. Plaintiffs bring this class action on behalf of themselves and all those similarly
10 situated out-of-network behavioral health providers that provide IOP treatment services (the
11 “Plaintiff Class”) and who were directly injured by United and MultiPlan’s scheme to underpay
12 valid, medically necessary claims.

13 2. Each Plaintiff is a behavioral healthcare provider treating patients suffering from
14 mental health and/or substance use disorders (“MH/SUD”). Each is a duly licensed, accredited
15 provider.

16 3. Plaintiffs provide medically necessary services for MH/SUD treatment.

17 4. The Defendant, United Behavioral Health is one of more than 1,200 ‘United’
18 Companies. The United companies are not independent, rather they act in concert to maximize
19 profits for the shareholders of United Corporation. MultiPlan, Inc. is a ‘cost management’
20 company. Together, United and MultiPlan have formed an enterprise that furnishes a vehicle to
21 deny proper payment for the IOP treatment services that Plaintiffs provided.

22 5. United and MultiPlan have also conspired together to withhold proper payment
23 for IOP treatment services from Plaintiffs.

24 6. United underpaid all of the claims for medically necessary treatment at issue in
25 this litigation and amounts are still outstanding and owed directly to Plaintiffs, to whom the
26 payments were promised by United.

27 7. Plaintiffs seek monetary and injunctive relief.
28

1 8. All Plaintiffs in this case are aware that their attorneys also represent patients in
2 the related case before this court styled, *L.D., et al. v. United, et al., Case No. 4:20-cv-02254-*
3 *YGR*. The Plaintiffs in both matters have waived any perceived or potential conflict.

4 9. United is the largest health insurer in the United States, reporting \$6.7 billion in
5 profits for the second quarter of 2020, a 97 percent increase from the same period in 2019.¹
6 United insures approximately 80 million people and controls 14.1% of the commercial
7 healthcare marketplace with annual premiums paid to it totaling \$107 billion dollars.

8 10. United also controls a large percentage of the commercial healthcare marketplace
9 in the geographic areas where the Plaintiffs reside.

10 11. MultiPlan is a private, ‘cost-management’ company that partners with insurers to
11 reduce the amounts they pay doctors and hospitals.

12 12. Together, United and MultiPlan created, developed, managed, and administered
13 the scheme to underpay Plaintiffs and the class.

14 13. Every claim at issue in this litigation was required to be paid at a percentage of
15 the usual and customary rate (“UCR”); the rate charged by similar providers of the same services
16 in the same geographic location.

17 14. Each of the claims at issue in this litigation was underpaid.

18 15. The underpayment directly and proximately damaged Plaintiffs.

19 16. The underpayment arose out of the fraudulent scheme of United and MultiPlan.

20 17. United and MultiPlan’s fraudulent scheme used the wires and mail to fraudulently
21 represent that the claims would be and were paid at the usual and customary rate.

22 18. This scheme has been ongoing and continuous for more than two years.

23 19. Without Court intervention, this scheme will continue and continue to damage
24 Plaintiffs and the class.

25
26
27
28

¹ *U.S. ’ Largest Health Insurer Reports \$6.7B In Profits Amid COVID, As N.Y. Cuts State Rates*, Newsweek, August 14, 2020, <https://www.newsweek.com/us-largest-health-insurer-reports-67b-profits-amid-covid-ny-cuts-state-rates-1525210> (last visited September 14, 2020).

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