

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
CASE NO.:**

DUAL DIAGNOSIS TREATMENT CENTER,
INC. d/b/a SOVEREIGN HEALTH OF
CALIFORNIA; SOVEREIGN HEALTH OF
FLORIDA, INC.; SOVEREIGN HEALTH OF
PHOENIX, INC.; SHREYA HEALTH OF
CALIFORNIA, INC.; SHREYA HEALTH OF
ARIZONA, INC.; MEDICAL CONCIERGE,
INC. d/b/a MEDLINK; SATYA HEALTH OF
CALIFORNIA, INC.; and VEDANTA
LABORATORIES, INC.;

Plaintiffs,

vs.

BLUE CROSS AND BLUE SHIELD OF
FLORIDA, INC.,

Defendants.

**COMPLAINT FOR RECOVERY OF
BENEFITS OWED AND FOR BREACH OF CONTRACT**

Plaintiffs Dual Diagnosis Treatment Center, Inc. d/b/a Sovereign Health of California (“Dual Diagnosis”); Sovereign Health of Florida, Inc. (“Sovereign Florida”); Sovereign Health of Arizona, Inc. (“Sovereign Arizona”); Shreya Health of California (“Shreya California”) Medical Concierge, Inc. d/b/a Medlink (“Medlink”); Satya Health of Florida, Inc. (“Satya”); and Vedanta Laboratories, Inc. (“Vedanta”) (collectively referred to as the “Plaintiffs”) for their complaint against Defendant Blue Cross and Blue Shield of Florida, Inc. (“BCBS-FL”) state:

INTRODUCTION

1. The Blue Cross Blue Shield Association, (the “Association”) and its affiliated insurance companies, including but not limited to BCBS-FL, provide health insurance coverage to

about one in three Americans. According to Blue Cross’s own press, ninety-one percent of health care providers have contracted with Blue Cross entities to offer discounted services to Blue Cross members, and ninety-seven percent of the claims that Blue Cross pays are to such “in-network” providers.

2. The several plaintiffs in this action treat individuals suffering from drug addiction and/or mental health problems. As a matter of practice, Plaintiffs obtain assignments from their patients.

3. Plaintiffs bring this suit to enforce their valid assignments of benefits and to vindicate their rights under the Employee Retirement Income Security Act of 1974 (“ERISA”) and state law, as applicable.

4. In a nutshell, BCBS-FL, as a Blue Cross affiliated company, does everything it can to undermine Plaintiffs’ ability to operate as independent, out-of-network (“OON”) providers. Specifically, BCBS-FL engages in the following improper conduct, all of which is prohibited by ERISA:

- a. misleads Plaintiffs about whether claims are assignable under the governing plan documents, and then later, with no explanation, refuses to pay Plaintiffs and instead pays some unknown amount to the recovering addicts themselves,
- b. refuses to honor assignments even when the underlying plan document permits them, and
- c. never plainly tells its beneficiaries that the assignments they choose to give will not be honored.

5. This scheme of deception and confusion leaves OON providers like the Plaintiffs misled, confused, and often holding the bag for services rendered in good faith to suffering patients—all of which unfairly increases the cost of running their businesses.

6. Defendant does not even attempt to hide this conduct; as one Blue Cross company described it: “payments for services rendered by providers who do not contract with [Blue Cross] are sent directly to our customers. Thus, out-of-network providers face the inconvenience of attempting to collect payment from the customer and the accompanying possibility of incurring bad debts.” *See Blue Perspective: BCBSOK Position on Legislation and Regulatory Issues*, Blue Cross Blue Shield Oklahoma, www.bcbsok.com/grassroots/pdf/blueperspective_aob27-103003.pdf (last visited October 27, 2020).

7. Cutting providers out of the process also saves Defendant money by leaving to unsophisticated patients (i.e., recovering addicts) the responsibility of ensuring that the insurance plans have fully paid the patients’ benefit entitlements.

8. By this action, Plaintiffs are seeking to recover the amounts owed by BCBS-FL for services provide to the various patients referenced in this Complaint and to hold BCBS-FL accountable for its violations of ERISA and State law.

THE PARTIES

A. Plaintiffs:

9. Plaintiffs are entities that provided in- and out-patient substance abuse and/or mental health treatment to various patients in California, Arizona, Florida, and other locations across the United States.

10. Dual Diagnosis Treatment Center, Inc. d/b/a Sovereign Health of California (“Dual Diagnosis”) is a corporation duly organized and existing under the laws of California. At all

relevant times, Dual Diagnosis did business as “Sovereign Health of California,” and on occasion under other names in accordance with its governing certifications and licensures. At all relevant times, Dual Diagnosis was certified to operate and maintain behavioral health treatment facilities in San Clemente, Culver City and Palm Springs California, among other locations.

11. Sovereign Health of Florida (“Sovereign Florida”) is a corporation duly organized and existing under the law of Delaware, doing business as “Sovereign Health of Florida.” At all relevant times, Sovereign Florida is and was licensed to operate and maintain a behavioral health residential facility in Pompano Beach, Florida and provided comprehensive treatment programs for mental health, addiction and other behavioral health disorders.

12. Sovereign Health of Phoenix (“Sovereign Phoenix”) is a corporation duly organized and existing under the law of Delaware. At all relevant times, Sovereign Phoenix is and was licensed to operate and maintain a behavioral health residential facility in Arizona and provided comprehensive treatment programs for mental health, addiction and other behavioral health disorders

13. Shreya Health of California, Inc. (“Shreya”) is a corporation duly organized and existing under the laws of California. At all relevant times, Shreya operated as a facility that provided 24 hour therapeutically planned living and rehabilitative environment for treatment of individuals with behavioral and other disorders. Shreya operated a treatment facility in San Clemente, California, among other locations. Shreya provided services to several of the patients at issue in this litigation.

14. Shreya Health of Arizona, Inc. (“Shreya Arizona”) is a corporation duly organized and existing under the laws of Arizona and during the relevant times, operated a substance abuse rehabilitation facility located in Chandler, Arizona. At all relevant times, Shreya operated a

rehabilitative facility for treatment of individuals with behavioral and other disorders. Shreya operated a treatment facility in Chandler Arizona, among other locations. Shreya provided services to several of the patients at issue in this litigation

15. Medical Concierge, Inc. (“Medlink”) is a corporation duly organized and existing under the laws of California, doing business as “Medlink.” Medlink is licensed to operate and maintain an adult residential facility (“ARF”) for ambulatory mentally ill adults. Medlink provided services to several of the patients at issue in this litigation.

16. Satya Health of California, Inc. (“Satya”) is a corporation duly organized and existing under the laws of California. At all relevant times, Satya did business as “Sovereign by the Sea II,” and on occasion under other names in accordance with its governing certifications and licensures. At all relevant times, Satya was licensed to operate and maintain behavioral health treatment facilities in San Clemente, Culver City, and Palm Springs, California, among other locations. Satya provided services to several of the patients at issue in this litigation.

17. Vedanta Laboratories, Inc. (“Vedanta”) is a corporation that was duly organized under the laws of the Delaware. At all relevant times, Vedanta provides toxicology testing and quality assurance programs. Vedanta serves clinicians and healthcare facilities. Vedanta provided services to several of the patients at issue in this litigation.

B. Former Patients:

18. This lawsuit involves behavioral health treatment services rendered by Plaintiffs to many individuals (“Former Patients”) who Plaintiffs are informed and believe, at all relevant times, possessed health insurance covering some or all of the services that Plaintiffs provided.

19. To protect their personal health information, the Former Patients are identified by their initials. The Former Patients who had health insurance provided by an employer-sponsored

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