

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF KANSAS  
AT KANSAS CITY**

ECHO HEALTH, INC.,	)	
810 Sharon Drive	)	
Westlake, Ohio 44145	)	
	)	
Plaintiff,	)	
	)	
vs.	)	
	)	Case No.
4M HEALTHCARE, LLC,	)	
15110 Glenwood Ave.	)	
Overland Park, Kansas 66223	)	
	)	
Defendant.	)	

**COMPLAINT**

For its Complaint against 4M Healthcare, LLC (“4M”), ECHO Health, Inc. (“ECHO”) alleges and states as follows:

1. This is an action against 4M to recover over \$544,000 in payments 4M received from ECHO in error which 4M knew it was not entitled to and had no right to keep. Despite acknowledging it has been receiving funds intended for another medical provider and despite ECHO’s repeated demands, 4M has refused to return the payments to ECHO. Instead, 4M continues to improperly assert control and dominion over the funds. ECHO brings this action to recover the funds and prevent 4M from absconding with or dissipating them.

2. ECHO is an Ohio corporation with its principal place of business in Westlake, Ohio.

3. 4M is a Kansas limited liability company with its principal place of business in Overland Park, Kansas.

4. Jerred Mann is the sole member of 4M. Jerred Mann resides in Overland Park, Kansas and is a resident of Kansas.

5. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1332 as the citizenship of the parties is diverse and the amount in controversy, as set forth below, exceeds \$75,000.00.

6. Venue is appropriate in this district pursuant to 28 U.S.C. § 1391(b)(1) as 4M resides in the district, and under 28 U.S.C. § 1391(b)(2) as a substantial part of the events or omissions giving rise to the claim occurred in the district.

### **PARTIES**

7. ECHO is in the business of, among other things, consolidating health care claims approved for payment by third party administrators (“TPAs”) and facilitating payment of those claims to medical care givers (“providers”) who rendered the services. In 2020, ECHO health facilitated payments to providers for over 200 million health care claims.

8. ECHO contracts with TPAs to, among other things, consolidate multiple claims across plans and insurers and to deliver a single payment for those claims, along with Electronic Remittance Advice (“ERAs”) which include explanations of provider payments (“EPPs”), to the providers. ECHO offers different delivery methods, including electronic funds transfers (“EFTs”), for the payments.

9. The TPAs entrust the monies to ECHO to pay the providers for the services rendered by the providers.

10. Providers, like 4M, enroll in ECHO’s payment programs to receive the funds using the provider’s preferred method and to obtain ERAs and other related forms that are associated with the payments. The ERAs show the provider, among other things, which of its services are being paid via the payment ECHO sends it.

11. Upon information and belief, 4M provides drug testing and other medical testing services in the health care industry.

### **FACTUAL BACKGROUND**

12. On or about February 21, 2020, 4M sent its first enrollment form to ECHO to enroll in ECHO's Direct Payer program. A copy of the redacted enrollment form 4M submitted in connection with adjudicated claims from that TPA is attached as Exhibit A.

13. 4M subsequently submitted additional enrollment forms that are associated with other TPAs. The substance of the forms are all the same and 4M has a copy of all of them, so they are not being attached here.

14. On or about March 16, 2020, ECHO accepted the enrollment forms 4M had submitted and entered 4M into ECHO's Direct Payer Program, which allowed 4M to receive health care payments via an EFT, along with ERAs related to those payments.

15. 4M elected to receive ERAs and to have ECHO send 4M payments for its services via EFT through the Direct Payer program.

16. The Direct Payer program only authorized 4M to receive deposit payments for medical services 4M actually provided.

17. Between May 4, 2020, and October 20, 2021, 4M received \$139,310.67 for services that it actually did provide. The majority of these payments were small. Of the 167 payments made to 4M over that period, 22 were less than \$100.00; 108 were between \$100.00 and \$1,000.00; 34 were between \$1,000.00 and \$4,000.00; 2 were between \$5,000.00 and \$10,000.00; and only 1 was between \$15,000.00 and \$20,000.00 (collectively, the "Correct Payments").

18. ERAs identifying the services being paid were sent with each of these Correct Payments, so 4M could associate those payments with the particular services it had rendered and account for the amounts actually owed to 4M.

19. Starting on or about March 20, 2020, 4M began receiving mistaken payments for services it did not perform (the “Mistaken Payments”); the Mistaken Payments were for services rendered by another provider and were meant to be sent via EFT to that other provider.

20. The Mistaken Payments made to 4M through October 20, 2021, totaled \$544,412.97.

21. The Mistaken Payments resulted from a mapping error when 4M’s account information was inputted into ECHO’s system. The system took the tax identification number of a different provider and correlated it to 4M’s account in connection with payments originating from certain TPAs, despite the existence of procedures and technical safeguards to prevent and preclude such mis-association of accounts.

22. Unlike the Correct Payments, 4M received over 75 Mistaken Payments that exceeded \$1,000.00, and 16 that exceeded \$10,000.00, including one on October 22, 2020 that exceeded \$34,000.00. 4M never received any single payment from ECHO remotely in the \$30,000.00 range for its healthcare services.

23. Further unlike the Correct Payments 4M received, no ERAs, EPPs, or other explanation of payment was provided to 4M with the Mistaken Payments.

24. 4M knew the payments were for services it did not render. 4M could not reconcile those Mistaken Payments with its actual services as the Mistaken Payments did not match the services 4M had actually provided. Moreover, 4M had ERAs for the Correct Payments showing that 4M had already received the funds from ECHO for the services it did render.

25. Given the Mistaken Payments did not correlate to the services 4M actually rendered and for which it had been paid combined with the number and dollar amounts of the Mistaken Payments during this period, 4M knew the Mistaken Payments were made in error and did not belong to 4M.

26. Not until October 20, 2021, however, did 4M contact ECHO about the Mistaken Payments.

27. On October 20, 2021, Sherry Langrehr, Operations Director of 4M, contacted ECHO's customer service center by telephone to advise ECHO that 4M had received an erroneous payment in an amount over \$30,000.00.

28. This was the first notice ECHO had received of any potential issue with mistaken payments going to 4M.

29. During the call, Ms. Langrehr stated that 4M had been continuing to receive incorrect payments that did not correlate to any services that 4M had rendered.

30. Ms. Langrehr read from EFT transaction detail information showing the Mistaken Payments were for a different entity. In fact, she was able to identify the specific provider by name to whom the payments should have been sent.

31. 4M did not provide any explanation why it notified ECHO of the erroneous \$31,880.74 payment made on October 12, 2021, but not of the numerous other Mistaken Payments it had received since March 20, 2020 which did not correlate to its services and which it knew did not belong to 4M.

32. Because the October 12, 2021, \$31,880.74 EFT payment had been made more than a week prior to 4M calling ECHO, it could not be reversed.

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