UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TENNESSEE
AT KNOXVILLE

LOUISIANA MUNICIPAL RISK MANAGEMENT AGENCY, individually and on behalf of all those similarly situated,	)	
Plaintiff,	)	
v.	)	**Civil Action No. _____.**
TEAM HEALTH HOLDINGS, INC., AMERITEAM SERVICES, LLC, HCFS HEALTH CARE FINANCIAL SERVICES, LLC, and ACS PRIMARY CARE PHYSICIANS LOUISIANA PC,	)	
Defendants.	)	

CLASS ACTION COMPLAINT

Plaintiff, the Louisiana Municipal Risk Management Agency ("LMRMA"), for its complaint against Defendants, Team Health Holdings, Inc., Ameriteam Services, LLC, HCFS Health Care Financial Services, LLC, and ACS Primary Care Physicians Louisiana PC (collectively "TeamHealth"), states as follows:

I. NATURE OF THE ACTION.

1. Plaintiff administers a self-funded insurance plan to cover medical expenses of employees of police departments, fire departments, ambulance and other important local services. Like so many other self-funded plans, Plaintiff has faced ever-rising healthcare costs. Now, Plaintiff has learned, as alleged below, that a significant portion of these escalating healthcare costs is directly attributable to systematic overcharges by the TeamHealth organization whose doctors staff numerous emergency rooms of hospitals.

2. This overbilling came as no accident, but rather was the fruit of a deliberate business model and carefully reticulated scheme developed by the TeamHealth organization. The scheme makes the overbilling undetectable using traditional audit metrics. That is by design. As described below, TeamHealth has set up over 100 ostensibly separate provider entities across the nation, each seemingly independent and disconnected from the others. In fact, though, they are all commonly controlled in a cartel-like manner.

3. Nearly every facet of the interactions between healthcare providers and the patients, from the timing and selection of services to the words chosen to describe the healthcare services rendered, is impacted by the heavy-handed dictates of TeamHealth. Once the medical records are created, the provider has no idea what will ultimately be charged for those services. All of these provider entities, though, use a common TeamHealth coding and billing facility that facilitates false and fraudulent coding. TeamHealth knows that by sending out the bills under the names of these many separate providers, and by obfuscating its fraud, it would be difficult if not impossible for anyone to spot the overbilling.

4. It is now evident from multiple other lawsuits, including two before this Court, that the TeamHealth enterprise systematically overbilled both governmental and private insurance and self-funded payors.[1] However, the Plaintiff and other similarly situated self-insured plans are not addressed in any of the prior or pending litigation on this issue. Accordingly, Plaintiff now brings

[1] *See United States ex rel. Hernandez v. Team Fin., L.L.C.*, No. 2:16-CV-00432-JRG, 2020 U.S. Dist. LEXIS 26608, *4-12, 2020 WL 731446 (E.D. Tex. Feb. 13, 2020) (summarizing analogous scheme); and *Celtic Ins. Co. v. Team Health Holdings, Inc.*, No. 3:20-cv-00523-DCLC-HBG (E.D. Tenn.), ECF No. 1, complaint filed Dec. 10, 2020, ¶¶ 8-17 (same). Plaintiffs do not seek to bring a claim for "balance billing" of individuals as alleged in *Fraser v. Team Health Holdings, Inc.*, No. 20-cv-04600-JSW (N.D. Cal.), *see* Class Action Complaint dated July 10, 2020, ¶ 20 (balance billing action brought by "uninsured" individuals).

this action to recover damages reflecting the wrongful medical overbilling by the Defendants, on behalf of itself and a putative class of others similarly situated.

5. As shown in detail below, TeamHealth is a private equity-owned management company headquartered in Tennessee that staffs many hospitals across the nation. Over the last several years, TeamHealth has engaged in a pattern and practice of health care overbilling[2] that has caused harm not only to the Medicare system, and to individual large private insurance payors, but also to self-funded health insurance plans such as Plaintiff's plan herein, and others that are similarly situated. This lawsuit is brought to recover damages, restitution, and injunctive relief to redress the Defendants' improper healthcare billing practices.

6. During the four-year damages period applicable herein,[3] TeamHealth provided staffing, operation, and billing services to various hospital emergency departments ("EDs") as a

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[2] *See United States ex rel. Hernandez v. Team Fin., L.L.C.*, No. 2:16-CV-00432-JRG, 2020 U.S. Dist. LEXIS 26608, *31, 2020 WL 731446 (E.D. Tex. Feb. 13, 2020) (denying motion to dismiss relator's complaint filed under the False Claims Act, 31 U.S.C. § 3729 *et seq*. alleging upcoding and overbilling fraud); *Celtic Ins. Co. v. Team Health Holdings, Inc*., No. 3:20-cv-00523-DCLC-HBG (E.D. Tenn.) (complaint filed Dec. 10, 2020 alleging *inter alia* systematic upcoding/overbilling); *Emergency Care Services of Pennsylvania v. UnitedHealth Group*, No. 5:20-cv-5094 (E.D. Pa.), *see* ECF No. 37 (counterclaim alleging that TeamHealth engaged in upcoding on health insurance claims); *United Healthcare Services, Inc. v. Team Health Holdings, Inc*., No. 3:21-cv-00364 (E.D. Tenn.) (same, primary claim); *United States ex rel. Oughatiyan v. IPC the Hospitalist Co., Inc*., No. 09-C-5418, 2015 U.S. Dist. LEXIS 19066, 2015 WL 718345 (N.D. Ill. Feb. 17, 2015) (denying in part motion to dismiss FCA claim of TeamHealth hospitalist overbilling); *U.S. ex. rel. Mamalakis vs. Anesthetix Management LLC*, 2021 U.S. App. LEXIS 36193, 2021 WL 5818476 (Dec. 8, 2021) (involving TeamHealth anesthesiologist overbilling).

[3] For Counts One and Two, alleging claims under the Racketeering Influenced and Corrupt Organizations Act ("RICO"), 18 U.S.C. §§ 1961-68, the statute of limitations is four years. *See Rotella v. Wood*, 528 U.S. 549, 553 (2000); *Agency Holding Corp. v. Malley-Duff & Assocs., Inc.,* 483 U.S. 143, 155-56 (1987); *Fraley v. Ohio Gallia County*, No. 97-3564, 1998 U.S. App. LEXIS 28078, *4 (6th Cir. Oct. 30, 1998); *Lehman v. Lucom*, 727 F.3d 1326, 1330-31 (11th Cir. 2013). For Count Three, unjust enrichment, a three-year period should apply. *See Moore v. Westgate Resorts Ltd., L.P.*, No. 3:18-CV-00410-DCLC, 2020 U.S. Dist. LEXIS 216516, *35-37, 2020 WL 6814666 (E.D. Tenn. Nov. 18, 2020); *Precision Tracking Sols., Inc. v. Spireon, Inc.*, No. 3:12-

contractor. TeamHealth promised to increase efficiency and profitability, in exchange for a share of earnings. In connection with its staffing, TeamHealth regularly rendered and renders healthcare services to enrollees of group medical plans such as the Plaintiff's self-funded plan herein. Over time, the enrollees received ED services from TeamHealth staff at various hospitals.

7. During the pertinent times, TeamHealth used a fraudulent and intentionally obfuscated scheme[4] in order to obtain overpayments from Plaintiff and other similarly situated payors. TeamHealth, using a centralized corporate billing "back office" facility in the organization, and following uniform rules, policies, practices, and procedures, systematically overbilled Plaintiff and other class members by using certain improperly chosen Current Procedural Terminology ("CPT") codes[5] in conjunction with the billing. Plaintiff and other class member plans relied on TeamHealth's representations in the form of the CT codes that it

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CV-00626-PLR, 2014 U.S. Dist. LEXIS 92255, *9-12, 2014 WL 3058396 (E.D. Tenn. July 7, 2014); *Carter v. Jackson-Madison County Hosp. Dist*., No. 1:10-cv-01155-JDB-egb, 2011 U.S. Dist. LEXIS 157329, *5-11 (W.D. Tenn. Dec. 13, 2011); *Swett v. Binkley*, 104 S.W.3d 64, 67 (Tenn. Ct. App. 2002); *Keller v. Colgems-EMI Music, Inc*., 924 S.W.2d 357, 359-61 (Tenn. Ct. App. 1996). Further, Plaintiff alleges that tolling applies insofar as the Defendants made active efforts to conceal their misconduct. *See In re Estate of Davis,* 308 S.W.3d 832, 840-42 (Tenn. 2010); *Redwing v. Catholic Bishop for Diocese of Memphis*, 363 S.W.3d 436, 463 (Tenn. 2012).

[4] *See United States ex rel. Hernandez v. Team Fin., L.L.C*., No. 2:16-CV-00432-JRG, 2020 U.S. Dist. LEXIS 26608, *4-12, 2020 WL 731446 (E.D. Tex. Feb. 13, 2020) (summarizing analogous scheme); and *Celtic Ins. Co. v. Team Health Holdings, Inc*., No. 3:20-cv-00523-DCLC-HBG (E.D. Tenn.), ECF No. 1, complaint filed Dec. 10, 2020, ¶¶ 8-17 (same). Plaintiffs do not seek to bring a claim for "balance billing" of individuals as alleged in *Fraser v. Team Health Holdings, Inc.*, No. 20-cv-04600-JSW (N.D. Cal.), *see* Class Action Complaint dated July 10, 2020, ¶ 20 (balance billing action brought by "uninsured" individuals).

[5] "CPT codes are developed, maintained, and copyrighted by the American Medical Association to help ensure uniformity among medical professionals and the health insurance industry. CPT codes consist of a group of numbers assigned to every task and service a medical practitioner may provide to a patient, including medical, surgical, and diagnostic services." *Witkin v. Bureau of Workers' Comp. Fee Review Hearing Office (State Workers' Ins. Fund)*, 67 A.3d 98, 99 n.4 (Pa. Commonwealth Ct. 2013).

transmitted across state lines and certified were "true, accurate and complete"[6] in accepting claims for payment to their detriment, paying higher rates than were properly due.

8. Private payors reimburse providers for higher CPT code services at a higher rate than for lower-coded services. TeamHealth billed using CPT codes appropriate for higher levels of care, when in fact such services were neither appropriate nor provided. Defendants systematically engaged in classic upcoding, that is, specifying a higher code than was appropriate, and submitted fraudulent billing to Plaintiff and numerous other private payors.

9. TeamHealth employed its scheme through its billing policies and practices to cause private self-funded plans to overpay. Through the duration of its scheme, TeamHealth fraudulently obtained monies to which it was not entitled from Plaintiff and other self-funded plans during the time period within the statute of limitations for which it employed the scheme.

10. During the pertinent times, administrators of self-funded plans, like insurers for fully funded plans, used similar rules to determine amounts to pay TeamHealth based on the CPT codes also used by the Centers for Medicare and Medicaid Services ("CMS") to pay under the Medicare program. TeamHealth's scheme violated the CMS rules and the rules used by self-funded plans, alike.

11. TeamHealth advertises that it controls its employed coders under uniform and comprehensive guidance. TeamHealth represents to the public that it carefully calibrates its compliance criteria and that it even audits the work performed by its coders. Given that fact, TeamHealth must have acted intentionally, or recklessly, in allowing the subject conduct to occur.

[6] CMS Form 1500, see preprinted statements on reverse side of the hardcopy version. The electronic version is deemed to include the same.

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