

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

TRUSTMARK HEALTH BENEFITS, INC., §

Plaintiff, §

v. §

ST. LUKE’S HEALTH SYSTEM §

CORPORATION d/b/a §

ST. LUKE’S THE WOODLANDS §

HOSPITAL., §

Defendant. §

Case No. 4:21-cv-2477

PLAINTIFF’S ORIGINAL COMPLAINT

Plaintiff Trustmark Health Benefits, Inc. f/k/a CoreSource, Inc. (“Trustmark”) files this Original Complaint against Defendant St. Luke’s Health System Corporation d/b/a St. Luke’s The Woodlands Hospital (“St. Luke’s”), and respectfully states as follows:

I. PARTIES

1. Plaintiff. Trustmark is a Delaware corporation with its principal place of business in Lake Forest, Illinois, and does business in Texas.

2. St. Luke’s Health System Corporation d/b/a St. Luke’s The Woodlands Hospital (“St. Luke’s”). St. Luke’s is a Texas corporation with its principal place of business in Houston, Texas, which may be served with process by serving its registered agent, C T Corporation System, at 1999 Bryan St., Ste. 900, Dallas, TX 75201-3136.

II. VENUE AND JURISDICTION

3. The Court has jurisdiction over the lawsuit under 28 U.S.C. § 1331, as this action arises under 29 U.S.C. § 1132(a)(3). Venue is proper pursuant to 28 U.S.C. § 1931 (b)(2), as a substantial part of the events giving rise to this action took place in this district.

III. BACKGROUND FACTS

A. The Primeway Federal Credit Union Employee Health Care Plan

4. Trustmark is the third-party claims processor for the Primeway Federal Credit Union Employee Health Care Plan (the “Plan”), which is a self-funded employee benefit plan governed by the Employee Retirement Income Security Act of 1974 (“ERISA”). The Plan was adopted and implemented by Primeway Federal Credit Union, which is the Plan Sponsor and Plan Fiduciary. Primeway Federal Credit Union contracted with Trustmark to provide third-party claims processing and administration services to the Plan.

5. Accordingly, Trustmark adjudicates the group benefit claims under the terms of the Plan and has authority to pursue recovery of this overpayment on behalf of the Plan.

6. From January 27, 2020 through January 28, 2020, a participant (the “Patient”) of the Plan received medical services at St. Luke’s The Woodlands Hospital (“St. Luke’s”). St. Luke’s is a non-preferred provider of the Plan. As such, St. Luke’s billed charges are not pre-negotiated with, or agreed to by, the Plan or Trustmark. Nonetheless, claims submitted by St. Luke’s under the Plan are subject to the terms thereof. Shortly after rendering medical services to the Patient, St. Luke’s submitted a claim on the Patient’s behalf under an assignment of benefits from the Patient, ultimately seeking benefits under the Plan.

7. The billed charges for the Patient’s claim totaled to \$34,917.49.

8. On or around April 22, 2020, Trustmark timely processed the claim on behalf of the Plan, but it inadvertently calculated a net payment of \$30,919.63, which represented full billed charges, less the Patient’s deductible of \$540.00 and coinsurance of \$3,457.86.

9. Importantly, however, the terms of the Plan set forth the Permitted Payment Levels provision for inpatient services:

Inpatient Services. The *permitted payment level* for *covered expenses* shall be calculated at the average of 150% of the *Medicare allowable amount* for the *covered expense* and 135% of the *cost* of the *covered expense*; provided, however, that any such *permitted payment level* based on the *cost* of the *covered expense* shall be limited to an amount not to exceed 175% of the *Medicare allowable amount* or the amount of *usual, customary and reasonable* fees for the *covered expense*.

10. After a subsequent audit of this claim, the overpayment was discovered. Indeed, the Plan's claim delegate, Advanced Medical Pricing Solutions, determined that the Medicare allowable amount of the claim was \$8,984.24, and the cost based allowable amount was \$7,447.90. These amounts average to be \$8,216.07, which did not exceed the ceiling of 175% of the Medicare allowable amount, and thus should have been the correct allowable amount for this claim.

11. Taking into account the appropriate Patient responsibility amount results in an overpayment of \$24,346.73, which is due back to the Plan.

12. By letters dated July 24, 2020, September 10, 2020, February 12, 2021, and July 1, 2021, Trustmark notified St. Luke's of the \$24,346.73 overpayment to which St. Luke's was not entitled, and Trustmark repeatedly demanded that St. Luke's refund the Plan accordingly.

13. To date, St. Luke's refuses to respond to any of Trustmark's correspondence and has not refunded any part of the overpayment to the Plan.

14. As such, Trustmark brings forth this action so that justice may be served.

15. All conditions precedent have been met.

IV. CAUSES OF ACTION

A. **Restitution Pursuant to 29 U.S.C. § 1132(a)(3) to Recover Overpayment.**

16. Trustmark incorporates by reference each and every allegation set forth in the proceeding paragraphs 1 through 15 as if fully set forth herein.

17. St. Luke's received an overpayment of \$24,346.73 in benefits from the Plan to which it was not entitled, and which in good conscious belongs to the Plan.

18. Pursuant to the terms of the Plan, St. Luke's is required to repay that sum back to the Plan.

19. Trustmark brings this claim for restitution as the Plan's claims processor and on behalf of the Plan, pursuant to 29 U.S.C. § 1132(a)(3), which authorizes Trustmark to obtain "appropriate equitable relief... to enforce any provisions of the [ERISA] subchapter or the terms of the [P]lan."

20. The overpayment of \$24,346.73 are explicitly identified and traceable to St. Luke's.

21. St. Luke's is liable to Trustmark and the Plan for the \$24,346.73 overpayment and should be ordered to repay this overpayment immediately.

B. Unjust Enrichment.

22. Trustmark incorporates by reference each and every allegation set forth in the proceeding paragraphs 1 through 15 as if fully set forth herein.

23. St. Luke's has received an overpayment of \$24,346.73 from the Plan through an inadvertent error, to which it is not otherwise entitled.

24. As a result of the \$24,346.73 overpayment and St. Luke's refusal to repay it to the Plan, St. Luke's has been unjustly enriched at the expense and to the detriment of the Plan.

25. Trustmark, acting as the claims processor of the Plan, seeks recovery of the amount by which St. Luke's has been unjustly enriched.

C. Money Had and Received.

26. Trustmark incorporates by reference each and every allegation set forth in the proceeding paragraphs 1 through 15 as if fully set forth herein.

27. St. Luke's holds money that in equity and good conscience belongs to the Plan.

28. St. Luke's has failed to return such money to the Plan.

29. As a result, the Plan has incurred, and continues to incur, damages for which it now sues and seeks relief from this Court.

V. REQUEST FOR RELIEF

WHEREFORE, the Plaintiff, Trustmark Health Benefits, Inc., requests that this Court enter an order:

- (A) Entering a judgment ordering St. Luke's to repay the Plan the overpayment;
- (B) Entering judgment in favor of Trustmark and awarding Trustmark its actual, economic, and consequential damages against St. Luke's for its refusal to pay back the overpayment;
- (C) Awarding Trustmark its attorneys' fees and costs;
- (D) Awarding Trustmark prejudgment and post-judgment interest as allowed by law; and
- (E) Granting Trustmark such other and further relief, both general and special, at law and in equity, to which it may show itself justly entitled.

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