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THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

R.J. and T.H., individually and on behalf of L.S. a minor, Plaintiffs, vs. OPTIMA HEALTH Defendant.	COMPLAINT Case No. 1:21-cv-00172-DBP
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Plaintiffs R.J. and T.H., individually and on behalf of L.S. a minor, through their undersigned counsel, complain and allege against Defendant Optima Health (“Optima”) as follows:

PARTIES, JURISDICTION AND VENUE

1. R.J., T.H., and L.S. are natural persons residing in Chesapeake, Virginia. R.J. is L.S.’s mother and T.H. is R.J.’s domestic partner.

2. Optima is an insurance company headquartered in Virginia Beach, Virginia and was the insurer and claims administrator, as well as the fiduciary, for the insurance plan providing coverage for the Plaintiffs (“the Plan”) during the treatment at issue in this case.
3. The Plan is a fully-insured welfare benefits plan. R.J. and T.H. were participants in the Plan and L.S. was a beneficiary of the Plan at all relevant times. R.J. was the plan participant until July 1, 2020, under an individual healthcare.gov plan. Following that date, Plaintiffs obtained coverage through T.H.’s employer and he became the plan participant. Optima was the insurer responsible for plan administration at all relevant times.
4. L.S. received medical care and treatment at Triumph Youth Services (“Triumph”) from January 2, 2020, to September 17, 2020. Triumph is a licensed residential treatment facility located in Box Elder County Utah, which provides sub-acute inpatient treatment to adolescents with mental health, behavioral, and/or substance abuse problems.
5. Optima, denied claims for payment of L.S.’s medical expenses in connection with his treatment at Triumph.
6. This Court has jurisdiction over this case under 29 U.S.C. §1132(e)(1) and 28 U.S.C. §1331.
7. Venue is appropriate under 29 U.S.C. §1132(e)(2) and 28 U.S.C. §1391(c) based on ERISA’s nationwide service of process and venue provisions, because Optima does business in Utah, and the treatment at issue took place in Utah. In addition, venue in Utah will save the Plaintiffs significant costs in litigating this case. Finally, in light of the sensitive nature of the medical treatment at issue, it is the Plaintiffs’ desire that the case be resolved in the State of Utah where it is more likely their privacy will be preserved.

8. The remedies the Plaintiffs seek are for the benefits due under the terms of the Plan, and for appropriate equitable relief under 29 U.S.C. §1132(a)(3) based on the Defendant's violation of the Mental Health Parity and Addiction Equity Act of 2008 ("MHPAEA"), an award of prejudgment interest, an award of consequential damages for failure to abide by the terms of the insurance contract, and an award of attorney fees and costs pursuant to 29 U.S.C. §1132(g).

BACKGROUND FACTS

Triumph

9. L.S. was admitted to Triumph on January 2, 2020.
10. In a letter dated January 7, 2020, Optima denied payment for L.S.'s treatment. The letter stated in part:

A case manager with Optima Health has reviewed your acute care stay with an Optima Medical Director. Based on the medical information provided by the utilization review staff of the hospital we are unable to approve the payment for the acute care hospital stay at this time. ...

The requested service is a specific benefit exclusion as described in your Evidence of Coverage or Summary Plan Document. Per the Exclusion and Limitations section:

Residential Treatment center care or care in another non-skilled settings [sic] are not covered services unless the treatment setting qualifies as a substance use disorder treatment facility licensed to provide continuous structured 24 hour a day program of drug or alcohol treatment and rehabilitation including 24 hour a day nursing care, and services are not merely custodial, residential, or domiciliary in nature.

11. Optima additionally sent the Plaintiff a letter dated January 8, 2020, which was largely identical to the January 7, 2020, letter with the only notable exception being the dates of service were different.

12. On June 18, 2020, R.J. submitted a level one appeal of the denial of L.S.'s treatment. She pointed out that neither of the letters she had received showed the correct dates of service and each had also mischaracterized L.S.'s treatment as an "acute care stay." R.J. wrote that the service at issue was residential treatment care, not acute hospitalization.
13. R.J. wrote that she was entitled to a full, fair, and thorough review conducted by appropriately qualified reviewers. She stated that L.S.'s treatment was a covered benefit under the terms of the Plan.
14. She quoted portions of the "What is Covered" portion of the summary plan description which stated in part:

Inpatient Mental Health and Substance Use Disorder Treatment, Detoxification and Rehabilitation Services

Covered services include the following provided in an inpatient facility or substance use disorder treatment facility as Medically Necessary:

- Individual psychotherapy, group psychotherapy, psychological testing;
- Counseling with family members to assist with the patient's diagnosis and treatment;
- Convulsive therapy, detoxification and rehabilitation treatment;
- Hospital and inpatient professional charges in any Hospital or facility required by state law.

She then quoted the definition of inpatient treatment which stated:

Mental health or Substance Use Disorder services delivered on a twenty-four hour per day basis in a Hospital, alcohol or drug rehabilitation facility, an intermediate care facility or an inpatient unit of a mental health treatment center.

Lastly, she quoted the definition of an intermediate care facility which stated:

"Intermediate care facility" means a licensed, residential public or private facility that is not a Hospital and that is operated primarily for the purpose of providing a continuous, structured twenty-four hour per day, state-approved program of inpatient substance use disorder services.

15. R.J. stated that L.S. clearly met these terms and provisions and asked Optima to identify more specifically the basis on which it was denying payment. She stated that Triumph was a licensed residential treatment facility which operated in accordance with governing state regulations.
16. R.J. contended that the denial of payment violated MHPAEA. She stated that according to MHPAEA, insurers were compelled to offer coverage for behavioral health treatment “at parity” with analogous medical or surgical benefits.
17. She stated that Triumph was an intermediate level care facility providing mental health and substance use disorder treatment analogous to the intermediate level care provided by skilled nursing and hospice facilities for medical and surgical conditions.
18. She argued that Optima could not impose treatment limitations on mental health treatment that it did not equally apply to medical or surgical treatments in the same classification.
19. She quoted Optima’s exclusion for residential treatment care which stated:

Residential treatment center care or care in another non-skilled settings [sic] are not Covered Services unless the treatment setting qualifies as a substance use disorder treatment facility licensed to provide continuous, structured, 24 hour a day program of drug or alcohol treatment and rehabilitation including 24 hour a day nursing care, and services are not merely custodial, residential, or domiciliary in nature.
20. R.J. argued that Optima could not exclude residential treatment for mental health care in this manner without imposing an unlawful nonquantitative treatment limitation prohibited by MHPAEA.
21. In addition, R.J. shared a report from Milliman Inc. entitled *Addiction and Mental Health vs Physical Health: Widening Disparities in Network Use and Provider Reimbursement* which showed that individuals were over five times more likely to receive out-of-network

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