

BCBS of Michigan hit with \$40M lawsuit over provider payments

Morgan Haefner - Thursday, August 1st, 2019 [Print](#) | [Email](#)

Blue Cross Blue Shield of Michigan faces a lawsuit filed on behalf of mental health and substance abuse treatment providers that accused the insurer of underpaying claims.

New York City-based law firm Napoli Shkolnik filed the lawsuit on behalf of four substance abuse treatment centers in the United States District Court for the Western District of Michigan. The lawsuit argues BCBS of Michigan failed to properly pay for substance abuse treatment and other care for behavioral health disorders. The plaintiffs claimed BCBS of Michigan underpaid claims for 4,000 patients, and seeks more than \$40 million.

"Since June 2016, [BCBS of Michigan] has unjustifiably slashed benefits and denied claims related to substance abuse and other behavioral health issues," the law firm said in an emailed statement. "In most cases, the rates paid by BCBSMI for these services are below the actual cost to providers of offering services — and even below the rates paid by Medicaid. This has resulted in the closing of treatment centers and surprise medical bills to patients and families who rightfully believed that treatment would be covered" in a state especially hit hard by the opioid epidemic, the law firm claimed.

In an emailed statement to *Becker's Hospital Review*, BCBS of Michigan said: "We are currently reviewing this lawsuit that was just filed [July 31]. It appears to be a complaint by four treatment facilities, three of which are not in our network, and are dissatisfied with their reimbursement. BCBSMI is confident it followed all appropriate reimbursement methodologies. Blue Cross believes that the best interests of patients are served when insurers, employers and providers of care work together to keep access to quality care affordable. Blue Cross is working with community organizations and providers across the state to help address the opioid crisis, including expanding a successful pilot program to treat opioid addiction with two Michigan treatment facilities."

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