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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

BARBARA BEACH, on her own behalf and on  
behalf of her minor daughter and all others  
similarly situated, JOHN DOE, on his own  
behalf and on behalf of all others similarly  
situated, JOHN LOE, on his own behalf and on  
behalf of his beneficiary son and all others

Case No. 3:21-cv-8612

**CLASS ACTION COMPLAINT**

1 similarly situated, JOHN POE, by and through  
2 his agent, Jane Poe, on his own behalf and on  
3 behalf of all others similarly situated, JOHN  
4 ROE, by and through his agent Mark Roe, on his  
5 own behalf and on behalf of all others similarly  
6 situated, and JOHN ZOE, by and through his  
7 agent, Mark Zoe, on his own behalf and on  
8 behalf of all others similarly situated,

9 Plaintiffs,

10 v.

11 UNITED BEHAVIORAL HEALTH,

12 Defendant.

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1 BARBARA BEACH, on her own behalf and on behalf of her minor daughter and all others  
2 similarly situated; JOHN DOE,<sup>1</sup> on his own behalf and on behalf of all others similarly situated;  
3 JOHN LOE, on his own behalf and on behalf of his beneficiary son and all others similarly situated;  
4 JOHN POE, by and through his agent Jane Poe, on his own behalf and on behalf of all others  
5 similarly situated; JOHN ROE, by and through his agent Mark Roe, on his own behalf and on behalf  
6 of all others similarly situated; and JOHN ZOE, by and through his agent, Mark Zoe, on his own  
7 behalf and on behalf of all others similarly situated (collectively, “Plaintiffs”) complain as follows,  
8 based on the best of their knowledge, information and belief, formed after an inquiry reasonable  
9 under the circumstances, against Defendant United Behavioral Health (“UBH”):

### 10 INTRODUCTION

11 1. Defendant UBH is the administrator of mental health and substance use disorder  
12 benefits provided by thousands of employer-sponsored health plans that are subject to the  
13 Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 - 1461 (“ERISA”). In that  
14 capacity, UBH determines whether to approve plan beneficiaries’ requests for coverage, which  
15 requires UBH to interpret the written terms of the beneficiaries’ plans. To standardize its  
16 administration of so many plans, UBH develops and uses various written policies that it applies  
17 when administering all ERISA plans. This case arises from UBH’s deliberate development of  
18 policies designed to reduce the number and value of claims UBH would approve, thereby serving  
19 the financial interests of UBH, its affiliates, and the employer plan sponsors they consider their  
20 customers. The UBH policies at issue in this case all disregard or directly flout the terms of the  
21 Plaintiffs’ Plans, and were developed to serve UBH’s interests and those of its plan sponsor

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23 <sup>1</sup> Plaintiffs challenge Defendant’s denials of coverage for mental health and substance use disorder  
24 treatment. Because mental illness and substance use disorders remain subject to pervasive stigma,  
25 several of the Plaintiffs have legitimate concerns about publicly disclosing their identities. For that  
26 reason, those Plaintiffs (and, where applicable, their agents) have chosen to file this action  
27 pseudonymously, using the fictitious names “John Doe”; “John Loe”; “John and Jane Poe”; “John  
28 and Mark Roe”; and “John and Mark Zoe.” The identities of these Plaintiffs and (where applicable)  
their beneficiaries or agents will be fully disclosed to Defendant and to the Court, so long as such  
identifying information is not released into the public record. Plaintiffs’ motion to proceed under  
pseudonyms will be filed as soon as practicable after Defendant’s counsel has entered an  
appearance.

1 customers rather than those of the plan members. As a result, the policies all breach the fiduciary  
2 duties UBH owes to all ERISA plan members, including Plaintiffs.

3 2. First, Plaintiffs challenge UBH's denials of their requests for benefits pursuant to  
4 the 2018 and 2019 editions of UBH's "Level of Care Guidelines," which UBH used to determine  
5 whether mental health and/or substance use disorder services for which coverage was requested  
6 were consistent with generally accepted standards of care. While the Plaintiffs' Plans required, as  
7 one essential prerequisite for coverage, that services be consistent with generally accepted  
8 standards, UBH developed Guidelines for making that determination that were pervasively more  
9 restrictive than the generally accepted standards.

10 3. Second, Plaintiffs challenge UBH's denials of their requests for coverage of  
11 residential treatment services in their entirety, even though UBH found that some of the services  
12 provided at that level of care—which are specifically listed as covered services under Plaintiffs'  
13 plans—were medically necessary for Plaintiffs. Pursuant to UBH's "Facility-Based Behavioral  
14 Health Program Reimbursement Policy," UBH insists that facilities submit claims for  
15 reimbursement for facility-based care using a "daily rate," which is a bundled per-diem charge that  
16 purportedly accounts for all services provided for treatment at a given level of care. When UBH  
17 denies such claims for lack of medical necessity, UBH denies *all* coverage, even when UBH  
18 acknowledges that some of the services bundled into the per diem charge are medically necessary  
19 for the member, rather than considering those services on an un-bundled basis and approving  
20 coverage for them.

### 21 THE PARTIES

22 4. Plaintiff Barbara Beach is a participant in a self-funded employee welfare benefit  
23 plan sponsored by her employer and administered by United Healthcare Services, Inc. (the "Beach  
24 Plan"). Plaintiff Beach's minor daughter is Plaintiff's dependent and a beneficiary of the Beach  
25 Plan. Plaintiff Beach and her daughter are permanent residents of Saratoga, California.

26 5. At all times relevant to this Complaint, Plaintiff John Doe was a participant in a self-  
27 funded employee welfare benefit plan sponsored by his employer and administered by United  
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1 Healthcare Services, Inc. (the “Doe Plan”). Plaintiff Doe is a permanent resident of Fairfax County,  
2 Virginia.

3 6. At all times relevant to this Complaint, Plaintiff John Loe was a participant in a self-  
4 funded employee welfare benefit plan sponsored by his employer and administered by United  
5 Healthcare Services, Inc. (the “Loe Plan”). Plaintiff Loe’s son is Plaintiff’s dependent and a  
6 beneficiary of the Loe Plan. Plaintiff Loe and his son are permanent residents of Northbrook,  
7 Illinois.

8 7. At all times relevant to this Complaint, Plaintiff John Poe was a participant in a  
9 fully-insured employee welfare benefit plan issued and administered by UnitedHealthcare  
10 Insurance Company (the “Poe Plan”). John Poe’s mother, Jane Poe, is representing his interests in  
11 this litigation pursuant to a duly executed power of attorney. John and Jane Poe are permanent  
12 residents of Atlanta, Georgia.

13 8. At all times relevant to this Complaint, Plaintiff John Roe was a participant in a self-  
14 funded employee welfare benefit plan sponsored by his former employer and administered by  
15 United Healthcare Services, Inc. (the “Roe Plan”). John Roe’s father, Mark Roe, is representing his  
16 interests in this litigation pursuant to a duly executed power of attorney. Mark and John Roe are  
17 permanent residents of Middletown, Ohio.

18 9. At all times relevant to this Complaint, Plaintiff John Zoe was a member of a self-  
19 funded employee welfare benefit plan sponsored by his father’s employer and administered by  
20 United Healthcare Services, Inc. (the “Zoe Plan”). John Zoe’s father, Mark Zoe, represents his  
21 interests in this litigation pursuant to a duly executed power of attorney. John Zoe is a permanent  
22 resident of Nashville, Tennessee. Mark Zoe is a permanent resident of New York, New York.

23 10. Defendant United Behavioral Health (“UBH”), which also operates as OptumHealth  
24 Behavioral Solutions, is a corporation organized under California Law, with its principal place of  
25 business in San Francisco, California.

26 11. UBH is a third-tier wholly-owned subsidiary of United HealthCare Services, Inc.,  
27 which is wholly owned by UnitedHealth Group Incorporated. UnitedHealth Group Inc. also wholly  
28 owns UnitedHealthcare Insurance Company.

1 12. UBH administers mental health and substance use disorder benefits for commercial  
2 welfare benefit plans pursuant to administrative services agreements through which UBH's  
3 affiliates, including United Healthcare Services, Inc. and UnitedHealthcare Insurance Company,  
4 delegate fiduciary responsibilities to UBH. In this role, UBH administers requests for coverage on  
5 behalf of members of health benefit plans governed by ERISA, including the Plaintiffs' health  
6 benefit plans. UBH thus has the authority to make final and binding benefit coverage  
7 determinations for mental health and substance use disorder services (collectively, "behavioral  
8 health services") under the plans it administers.

9 13. Because of the role UBH plays in making benefit determinations under the plans it  
10 administers, UBH is a fiduciary under ERISA.

11 **JURISDICTION AND VENUE**

12 14. Defendant UBH's actions in administering employer-sponsored health care plans,  
13 including exercising discretion with respect to determinations of coverage for Plaintiffs under their  
14 Plans, are governed by ERISA, 29 U.S.C. §§ 1001 - 1461. This Court has subject matter jurisdiction  
15 under 28 U.S.C. § 1331 (federal question jurisdiction) and 29 U.S.C. § 1132(e) (ERISA).

16 15. Personal jurisdiction over Defendant UBH exists with this Court. United Behavioral  
17 Health is a corporation organized under California law, with significant contacts in California.

18 16. Venue is appropriate in this District. Defendant is headquartered in this District,  
19 administers plans here and conducts significant operations here. 29 U.S.C. § 1132(e)(2).

20 **INTRADISTRICT ASSIGNMENT**

21 17. This case should be assigned to the San Francisco Division of this Court because  
22 Defendant UBH is headquartered in this District, administers plans here and conducts significant  
23 operations here. In addition, assignment to the San Francisco Division is appropriate because this  
24 action is related to a putative class action currently pending before Judge Seeborg, *Jones, et al. v.*  
25 *United Behavioral Health*, Case No. 3:19-cv-06999-RS (N.D. Cal.), and two certified class actions  
26 currently on appeal from final judgment in this Court (issued by Chief Magistrate Judge Spero, by  
27 consent): *Wit, et al. v. United Behavioral Health*, Case No. 14-cv-02346-JCS (N.D. Cal.) and  
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1 *Alexander, et al. v. United Behavioral Health*, Case No. 14-cv-05337-JCS (N.D. Cal.) (referred to  
2 collectively herein as the “*Wit* Litigation.”).

### 3 **FACTUAL ALLEGATIONS**

#### 4 **I. UBH’s Status as an ERISA Fiduciary**

5 18. The Plaintiffs’ Plans all identify UBH’s affiliate, UnitedHealthcare Insurance  
6 Company, or UBH’s parent, United Healthcare Services Inc. “and its affiliates,” as the Plan’s  
7 Claims Administrator. The Plans explicitly delegate to the named Claims Administrator the  
8 discretion to interpret the Plan terms, conditions, limitations, and exclusions. Each Plan further  
9 authorizes the Claims Administrator to delegate this discretionary authority to other entities that  
10 provide services for the administration of the Plan.

11 19. Pursuant to that authority, the Claims Administrator for each of the Plaintiffs’ Plans  
12 has delegated to UBH the responsibility for administering behavioral health benefits, including  
13 interpreting Plan terms, conditions, limitations, and exclusions with respect to mental health and  
14 substance use disorder benefits. As the behavioral health administrator for the Plans, UBH exercises  
15 this discretion to make coverage determinations for behavioral health services, and to cause any  
16 resulting benefit payments to be made by the Plans.

17 20. UBH’s standard practice when making coverage determinations is first, to confirm  
18 the “administrative” prerequisites for coverage, such as member eligibility and application of any  
19 non-clinical exclusions or limitations. If the administrative prerequisites are satisfied, UBH then  
20 assesses whether there are any clinical grounds for denial, including lack of medical necessity or  
21 clinical appropriateness of the services requested.

22 21. When UBH denies a request for coverage under a plan it administers, the legal  
23 consequence is that the plan will not pay any benefits for the services for which coverage was  
24 requested. As a result, upon receiving the denial, the participant has only three choices: to pay for  
25 treatment out-of-pocket; to seek different treatment for which coverage may be approved; or to  
26 forego treatment altogether.

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1           22.     Because UBH has and exercises discretion with respect to the administration of the  
2 Plans, and because it makes all benefit determinations for behavioral health coverage under the  
3 Plans, UBH is a fiduciary within the meaning of ERISA, 29 U.S.C. § 1104.

4           23.     As an ERISA fiduciary, UBH owes a duty of loyalty to plan participants and  
5 beneficiaries, which requires it to discharge its duties “solely in the interests of the participants and  
6 beneficiaries” of the plans it administers and for the “exclusive purpose” of providing benefits to  
7 participants and beneficiaries and paying reasonable expenses of administering the plan. UBH also  
8 owes plan participants and beneficiaries a duty of care, which requires it to act with reasonable  
9 “care, skill, prudence, and diligence” and in accordance with the terms of the plans, so long as such  
10 terms are consistent with ERISA.

11           **II.     Relevant Terms of the Plaintiffs’ Plans**

12           24.     The Beach Plan, the Doe Plan, the Loe Plan, the Poe Plan, the Roe Plan, and the Zoe  
13 Plan (collectively the “Plans”) are all governed by ERISA.

14                   **a.     Covered Services**

15           25.     The Plans cover treatment for sickness, injury, mental illness, and substance use  
16 disorders. Residential treatment is a covered benefit under each of the Plans. The Plans do not limit  
17 coverage for residential treatment to emergency, short-term or crisis stabilization services.

18           26.     The Plans also include coverage for Partial Hospitalization (“PHP”) services and  
19 Intensive Outpatient (“IOP”) services for mental health and substance use disorder services.

20           27.     The Plans further specify that covered services for mental health conditions and  
21 substance use disorders include the following services:

- 22                   • Diagnostic evaluations, assessment and treatment planning;  
23                   • Treatment and/or procedures;  
24                   • Medication management and other associated treatments;  
25                   • Individual, family, and group therapy;  
26                   • Provider-based case management services; and  
27                   • Crisis intervention.  
28



1                   **b. Generally Accepted Standards Requirement**

2                   28.     One essential requirement for coverage under all of the Plaintiffs’ Plans is that  
3 services must be consistent with generally accepted standards of care.

4                   29.     The Plans use slightly different wording for the generally-accepted-standards  
5 requirement, but the differences are immaterial. UBH interprets the generally-accepted-standards  
6 terms of all of the Plaintiffs’ Plans as having the same meaning.

7                   30.     Under the terms of the Beach, Loe, Poe, and Roe Plans, “Covered Services” are  
8 defined as, among other requirements, those that are “Medically Necessary.” The Plans further  
9 define Medically Necessary services as those that are, among other things, “[i]n accordance with  
10 Generally Accepted Standards of Medical Practice.”

11                  31.     According to the Beach, Loe, Poe, and Roe Plans, “*Generally Accepted Standards*  
12 *of Medical Practice* are standards that are based on credible scientific evidence published in peer-  
13 reviewed medical literature generally recognized by the relevant medical community, relying  
14 primarily on controlled clinical trials, or, if not available, observational studies from more than one  
15 institution that suggest a causal relationship between the service or treatment and health outcomes.”  
16 If no such evidence is available, the Beach, Loe, Poe, and Roe Plans provide that “standards that  
17 are based on Physician specialty society recommendations or professional standards of care may  
18 be considered.”

19                  32.     Under the terms of the Doe and Zoe Plans, “Covered Health Services” are defined  
20 as those the Claims Administrator determines to be, among other things, “consistent with nationally  
21 recognized scientific evidence as available, and prevailing medical standards and clinical guidelines  
22 as described below.” The Plans further define “scientific evidence” as “the results of controlled  
23 Clinical Trials or other studies published in peer-reviewed, medical literature generally recognized  
24 by the relevant medical specialty community; and “prevailing medical standards and clinical  
25 guidelines” as “nationally recognized professional standards of care including, but not limited to,  
26 national consensus statements, nationally recognized clinical guidelines, and national specialty  
27 society guidelines.”  
28

1           33.     Therefore, under the terms of all the Plaintiffs’ Plans, one of the essential  
2 determinations UBH must make when reviewing claims for coverage under the Plans is whether  
3 the services for which coverage is requested are consistent with generally accepted standards of  
4 medical practice. As described below, UBH developed its Level of Care Guidelines to use in  
5 making those determinations with respect to all the commercial plans it administers.

6           **III.     The Generally Accepted Standards of Care**

7  
8           34.     Generally accepted standards of care, in the context of mental health and substance  
9 use disorder services, are the standards that have achieved widespread acceptance among  
10 behavioral health professionals.

11           35.     In the area of mental health and substance use disorder treatment, there is a  
12 continuum of intensity at which services are delivered. There are generally accepted standards of  
13 care for matching patients with the level of care that is most appropriate and effective for treating  
14 patients’ conditions.

15           36.     These generally accepted standards of care can be gleaned from and are reflected in  
16 multiple sources, including peer-reviewed studies in academic journals, consensus guidelines from  
17 professional organizations, and guidelines and materials distributed by government agencies,  
18 including: (a) the American Society of Addiction Medicine (“ASAM”) Criteria; (b) the American  
19 Association of Community Psychiatrists’ (“ACCP”) Level of Care Utilization System; (c) the Child  
20 and Adolescent Level of Care Utilization System (“CALOCUS”) developed by ACCP and the  
21 American Academy of Child and Adolescent Psychiatry (“AACAP”); and the Child and Adolescent  
22 Service Intensity Instrument (“CASII”) which was developed by AACAP in 2001 as a refinement  
23 of CALOCUS; (d) the Medicare benefit policy manual issued by the Centers for Medicare and  
24 Medicaid Services (“CMS”); (e) the APA Practice Guidelines for the Treatment of Patients with  
25 Substance Use Disorders, Second Edition; (f) the American Psychiatric Association’s Practice  
26 Guidelines for the Treatment of Patients with Major Depressive Disorder; and (g) AACAP’s  
27 Principles of Care for Treatment of Children and Adolescents with Mental Illnesses in Residential  
28 Treatment Centers.

1           37. The generally accepted standards of medical practice for matching patients with the  
2 most appropriate and effective level of care for treating patients’ mental health conditions and  
3 substance use disorders include the following:

4           a. **First**, many mental health and substance use disorders are long-term and chronic.  
5           While current symptoms are typically related to a patient’s chronic condition, it is  
6           generally accepted in the behavioral health community that effective treatment of  
7           individuals with mental health or substance use disorders is not limited to the  
8           alleviation of the current symptoms. Rather, effective treatment requires treatment  
9           of the chronic underlying condition as well.

10          b. **Second**, many individuals with behavioral health diagnoses have multiple, co-  
11          occurring disorders. Because co-occurring disorders can aggravate each other,  
12          treating any of them effectively requires a comprehensive, coordinated approach to  
13          all conditions. Similarly, the presence of a co-occurring medical condition is an  
14          aggravating factor that may necessitate a more intensive level of care for the patient  
15          to be effectively treated.

16          c. **Third**, in order to treat patients with mental health or substance use disorders  
17          effectively, it is important to “match” them to the appropriate level of care. The  
18          driving factors in determining the appropriate treatment level should be safety and  
19          effectiveness. Placement in a less restrictive environment is appropriate only if it is  
20          likely to be safe and *just as effective* as treatment at a higher level of care.

21          d. **Fourth**, when there is ambiguity as to the appropriate level of care, generally  
22          accepted standards call for erring on the side of caution by placing the patient in a  
23          higher level of care. Research has demonstrated that patients with mental health and  
24          substance use disorders who receive treatment at a lower level of care than is  
25          clinically appropriate face worse outcomes than those who are treated at the  
26          appropriate level of care. On the other hand, there is no research that establishes that  
27          placement at a higher level of care than is appropriate results in an increase in  
28          adverse outcomes.

- 1 e. **Fifth**, while effective treatment may result in improvement in the patient’s level of  
2 functioning, it is well-established that effective treatment also includes treatment  
3 aimed at preventing relapse or deterioration of the patient’s condition and  
4 maintaining the patient’s level of functioning.
- 5 f. **Sixth**, the appropriate duration of treatment for behavioral health disorders is based  
6 on the individual needs of the patient; there is no specific limit on the duration of  
7 such treatment. Similarly, it is inconsistent with generally accepted standards of  
8 medical practice to require discharge as soon as a patient becomes unwilling or  
9 unable to participate in treatment.
- 10 g. **Seventh**, one of the primary differences between adults, on the one hand, and  
11 children and adolescents, on the other, is that children and adolescents are not fully  
12 “developed,” in the psychiatric sense. The unique needs of children and adolescents  
13 must be taken into account when making level of care decisions involving their  
14 treatment for mental health or substance use disorders. One of the ways practitioners  
15 take into account the developmental level of a child or adolescent in making  
16 treatment decisions is by relaxing the threshold requirements for admission and  
17 continued service at a given level of care.
- 18 h. **Eighth**, the determination of the appropriate level of care for patients with mental  
19 health and/or substance use disorders should be made on the basis of a  
20 multidimensional assessment that takes into account a wide variety of information  
21 about the patient. Except in acute situations that require hospitalization, where safety  
22 alone may necessitate the highest level of care, decisions about the level of care at  
23 which a patient should receive treatment should be made based upon a holistic,  
24 biopsychosocial assessment that involves consideration of multiple dimensions.

25 38. UBH, as a claims administrator and ERISA fiduciary, owed the participants and  
26 beneficiaries of the Plans it administers a fiduciary duty to take reasonable steps to interpret the  
27 Plans, including when establishing the criteria by which it would determine whether services are  
28 consistent with generally accepted standards of medical practice. It was UBH’s duty to use due care

1 and act prudently and solely in the interests of the plan participants and beneficiaries when doing  
2 so.

3 39. When interpreting its plans, UBH had access to the independent, publicly available  
4 sources, described above, that elucidate the generally accepted standards of medical practice. Thus,  
5 UBH knew, or should have known, what the generally accepted standards of medical practice were.

6  
7 **IV. UBH’s 2018 and 2019 Level of Care Guidelines Were More Restrictive than  
Generally Accepted Standards of Care**

8 40. Until recently, UBH exercised its discretion under the plans it administers by, among  
9 other things, developing, adopting, and applying its own clinical criteria for determining whether  
10 services for which coverage is requested are consistent with generally accepted standards of  
11 medical practice. The clinical criteria UBH adopted as its standardized interpretation of the relevant  
12 plan terms, and applied in making clinical coverage determinations, were called the UBH Level of  
13 Care Guidelines.

14 41. The Level of Care Guidelines were organized by the situs of care, or “level of care,”  
15 according to progressive levels of service intensity along the continuum of care (*i.e.*, outpatient,  
16 intensive outpatient, partial hospitalization, residential, and hospital treatment).

17 42. The 2011 through 2017 editions of UBH’s Level of Care Guidelines—which are  
18 substantially similar to the 2018 and 2019 editions of the Level of Care Guidelines at issue in this  
19 case—were among the UBH Guidelines challenged in two certified class actions recently litigated  
20 to final judgment in this Court: *Wit, et al. v. United Behavioral Health*, Case No. 14-cv-02346-JCS  
21 (N.D. Cal.) and *Alexander, et al. v. United Behavioral Health*, Case No. 14-cv-05337-JCS (N.D.  
22 Cal.). The cases were consolidated and will be referred to collectively herein as the “*Wit* Litigation.”  
23 The plaintiffs in the *Wit* Litigation asserted claims against UBH under ERISA.

24 43. Following a trial on the merits of the *Wit* Litigation, Chief Magistrate Judge Joseph  
25 C. Spero of this Court found that the 2011 through 2017 editions of the UBH Level of Care  
26 Guidelines were much more restrictive than generally accepted standards of care, and thus  
27 conflicted with and were not reasonable interpretations of the relevant terms of the *Wit* class  
28

1 members' plans. Accordingly, Judge Spero concluded that UBH breached its ERISA fiduciary  
2 duties by adopting its pervasively-flawed Guidelines and that UBH abused its discretion when it  
3 used the Guidelines to deny coverage to the *Wit* class members.

4 44. The three certified classes in the *Wit* Litigation (collectively, the "*Wit* Class")  
5 include only UBH members whose requests for coverage were denied by UBH between May 22,  
6 2011 and June 1, 2017.

7 45. A separate action, *Jones, et al. v. United Behavioral Health*, Case No. 3:19-cv-  
8 06999-RS (N.D. Cal.), has been filed on behalf of UBH members whose requests coverage were  
9 denied by UBH between June 2, 2017 and February 7, 2018, based on the 2017 Level of Care  
10 Guidelines that were found to be defective in the *Wit* Litigation. Judge Richard Seeborg of this  
11 Court granted class certification in the *Jones* case on March 11, 2021.

12 46. In short, UBH has already been found liable for breaching its fiduciary duties and  
13 violating ERISA by creating its pervasively-flawed Level of Care Guidelines and using them to  
14 deny coverage to thousands of its members. UBH's 2018 and 2019 Level of Care Guidelines suffer  
15 from the same deficiencies as the 2011 through 2017 editions.

16 47. Just as in prior years, the 2018 and 2019 Level of Care Guidelines at issue in this  
17 case contained a set of mandatory "Common Criteria," all of which had to be satisfied for coverage  
18 to be approved at any level of care. In addition, the Guidelines contained specific criteria applicable  
19 to particular levels of care in the context of either mental health conditions or substance use  
20 disorders, which also had to be satisfied in order for coverage to be approved at a particular level  
21 of care.

22 48. As noted above, Judge Spero found, after a trial on the merits in the *Wit* Litigation,  
23 that UBH's 2011-2017 Level of Care Guidelines were pervasively more restrictive than the  
24 generally accepted standards of care described above, and thus conflicted with the applicable terms  
25 of the ERISA plans at issue, which required services to be consistent with generally accepted  
26 standards.

27 49. In a detailed opinion, Judge Spero held that the UBH Level of Care Guidelines in  
28 effect from 2011 to 2017 were pervasively more restrictive than generally accepted standards of

1 care because they restricted coverage to the treatment of acute behavioral health conditions and  
2 symptoms, in contrast to generally accepted standards of care that include concurrent effective  
3 treatment to address chronic or co-occurring conditions or symptoms.

4 50. As Judge Spero held, UBH's 2011-2017 Level of Care Guidelines were "riddled  
5 with requirements that provided for narrower coverage than is consistent with generally accepted  
6 standards of care." Judge Spero further found that these defects were driven by UBH's financial  
7 self-interest, and that use of the Level of Care Guidelines to determine whether services were  
8 consistent with generally accepted standards was "unreasonable and an abuse of discretion because  
9 they were more restrictive than generally accepted standards of care."

10 51. The same is true of the 2018 and 2019 Level of Care Guidelines. Moreover, UBH  
11 adopted the 2018 and 2019 editions of the Level of Care Guidelines—with minimal, non-  
12 substantive changes from the 2017 edition—after the October 2017 trial in the *Wit* litigation, even  
13 though UBH's own retained expert testified in that trial that no practitioner "worth his salt" would  
14 use UBH's Level of Care Guidelines to determine what the generally accepted standards of care  
15 are, but rather would go straight to the professional society guidelines that set forth accepted  
16 standards of care, such as the ASAM or LOCUS criteria.

17 52. In late 2018, UBH announced that it would "retire" its proprietary substance use  
18 guidelines and instead begin applying the ASAM Criteria when administering benefits for  
19 substance use disorder treatment.

20 53. Only after Judge Spero issued his ruling on the merits in the *Wit* Litigation in March  
21 2019, UBH announced that it also intended to discontinue use of its Level of Care Guidelines for  
22 mental health treatment and to transition to non-profit, clinical specialty association guidelines by  
23 early 2020.

24 54. Notwithstanding these subsequent developments, and even though UBH knew, or  
25 should have known, that its 2018 and 2019 Level of Care Guidelines were much more restrictive  
26 than generally accepted standards of care, and that UBH developed them to advance its own  
27 financial self-interest as well as that of its other corporate affiliates and employer plan sponsors,  
28 UBH continued to apply its unreasonably overly-restrictive Level of Care Guidelines from May 9,

1 2018 until February 12, 2019 (2018 LOCGs) and from February 12, 2019 through January 30, 2020  
2 (2019 LOCGs).

3 55. By continuing to use its own overly-restrictive Guidelines, UBH, among other  
4 things, (a) avoided or reduced the benefit expense it would otherwise pay from its own assets if  
5 approving coverage under insured plans; and (b) saved money for its self-funded plan-sponsor  
6 customers (albeit in contravention of plan terms), making it more likely that those plan sponsors  
7 would continue to employ UBH as claims administrator, thus prioritizing UBH's own financial  
8 interests.

9  
10 **V. UBH's Standard Policy of Bundling Facility-Based Behavioral Health Services**

11 56. Under UBH's "Facility-Based Behavioral Health Program Reimbursement Policy,"  
12 in effect from at least March 15, 2016 through the present, when UBH approves coverage for  
13 "facility-based" behavioral health services—meaning services at the inpatient, residential  
14 treatment, partial hospitalization, and intensive outpatient levels of care—UBH reimburses the cost  
15 of all services provided during a day of treatment "using a single day rate for all expected  
16 components of an active treatment program." Pursuant to UBH's policy, the "single day rate"  
17 includes "payment for all dependent, ancillary, supportive, and therapeutic services into payment  
18 for the primary independent program service." As such, UBH does not separately reimburse for  
19 such services "when billed with the primary independent program service" for which coverage was  
20 approved.

21 57. UBH's standard policy requires providers submitting requests for coverage to  
22 "bundle" all of the separate services provided within the scope of a given facility-based level of  
23 care into a single request for reimbursement, rather than submitting each service separately. The  
24 policy states that UBH considers the following services to be "an integral part of the program  
25 services that will be reimbursed under the single day rate":

- 26 • All supplies
- 27 • Ancillary services

28



- 1 • Diagnostic evaluation and assessment including
- 2 psychological and neuropsychological testing
- 3 • Clinical diagnostic laboratory tests including drug testing
- 4 • Treatment planning
- 5 • Procedures described by add-on codes
- 6 • Individual therapy
- 7 • Group therapy
- 8 • Family therapy
- 9 • Crisis intervention

10 58. Thus, pursuant to its standard reimbursement policy, UBH will not accept claims  
11 for coverage of the discrete “integral” component parts of a facility-based treatment, but instead,  
12 UBH requires those services to be submitted as a bundle, which, if coverage is approved, UBH will  
13 pay at a “single day” rate.

14 59. If UBH determines that the requested facility-based treatment is not covered at the  
15 requested level of care, however, UBH also relies on this policy to deny the request for coverage  
16 in its entirety. In other words, UBH relies on its reimbursement policy to *deny* claims for facility-  
17 based services on a “single day,” bundled basis, rather than determining whether to approve  
18 coverage for any of the component services necessarily provided as part of the facility-based  
19 program. UBH does so even if the component services are otherwise covered under the member’s  
20 Plan and even where, as here, UBH has already determined that services necessarily included within  
21 the bundled rate are medically necessary for the member.

22 60. Healthcare providers use Current Procedural Terminology (“CPT”) or Healthcare  
23 Common Procedure Coding System (“HCPCS”) codes to identify services when submitting claims  
24 for coverage. While both systems include “per diem” codes for residential, partial hospitalization,  
25 and intensive outpatient services, they also include distinct codes that correspond to each of the  
26 component services listed above, which UBH admits are integral to facility-based care.

1           61.     Thus, UBH knows those component services are provided as part of facility-based  
2 care, and UBH could develop and apply a reimbursement policy that calls for the payment of  
3 benefits for the discrete component services that were medically necessary, but instead, it has  
4 adopted a standard policy of evaluating coverage for all facility-based care only on a bundled,  
5 “single day” unit basis. As a result, when UBH denies coverage for a day of facility-based  
6 treatment, it is denying coverage for all of the services it required to be bundled together—and it  
7 categorically refuses to un-bundle them, even if it admits that some of the component services are  
8 medically necessary.

9           62.     On an un-bundled basis, residential treatment subsumes all the clinical components  
10 of both partial hospitalization programs (“PHP”) and intensive outpatient treatment (“IOP”). That  
11 is, all of the component services that are provided at the less-intensive levels of facility-based care  
12 (PHP and IOP) are necessarily also provided at the residential treatment level of care. For the same  
13 reason, residential treatment also necessarily subsumes outpatient treatment services, like  
14 individual therapy.

15           63.     UBH, however, applies a consistent policy and practice of denying all coverage for  
16 all services received at a residential treatment center when it deems that level of care unnecessary  
17 or inappropriate, even when it admits that services at a fully-subsumed, lower level of care *are*  
18 necessary and appropriate. UBH applied this standard policy and practice to deny coverage to each  
19 of the Plaintiffs.

20           **VI.     UBH Denied Coverage to Plaintiffs Pursuant to its Overly Restrictive 2018 and**  
21           **2019 Level of Care Guidelines and its Improper Bundling Policy**

22           **a.     Plaintiff Beach**

23           64.     Plaintiff Beach’s daughter has been diagnosed with co-occurring Major Depressive  
24 Disorder, Generalized Anxiety Disorder, and Post-Traumatic Stress Disorder, and had a history of  
25 self-harming behaviors and suicidal thoughts, including two suicide attempts. In early November  
26 2019, after her parents found a suicide note in her bedroom, her therapist recommended residential  
27 treatment.  
28

1           65.     On November 7, 2019, Ms. Beach’s daughter was admitted to Newport Academy  
2 (“Newport”) for residential treatment of her mental health conditions. UBH authorized coverage  
3 for twelve days, but then denied coverage from November 19, 2019, onward.

4           66.     In its November 23, 2019 written notification of the adverse benefit determination,  
5 UBH stated that the denial was “[b]ased on” its “Medical Necessity criteria for Mental Health  
6 Residential Treatment Center Level of Care.” The letter further explained why Ms. Beach’s  
7 daughter did not meet the UBH criteria:

8                     You[r] child. . . is doing better. She is willing and able to participate  
9 in treatment. Her mood is better. She has no thoughts of harming self  
10 or others. She is able to take care of daily needs. She is medically  
11 stable. She has supportive family.

12           67.     The letter also concluded that “Care could continue at Partial Hospitalization  
13 Program.” Residential treatment subsumes all the clinical components of a partial hospitalization  
14 program. Thus, services at a partial hospitalization level of care are necessarily included within  
15 residential treatment services.

16           68.     Newport Academy requested an urgent appeal on November 20, 2019. UBH  
17 reviewed the urgent appeal and upheld the denial on November 22, 2019, again applying UBH’s  
18 “MENTAL HEALTH Residential LEVEL OF CARE” guideline and concluding that “the  
19 requested service does not meet the level of care guideline.” As recorded in UBH’s case notes, the  
20 rationale for that determination was that “the patient is not at immediate risk of hurting herself or  
21 others. She is medically stable. She is not on psychotropic medication. She does not require 24 hour  
22 medical or psychiatric care.” UBH’s November 22, 2019 case note also states, “Alternative Service  
23 Authorized: Mental Health PHP.”

24           69.     On November 25, 2019, Newport Academy submitted another appeal on behalf of  
25 Ms. Beach’s daughter, attaching 146 pages of medical records.

26           70.     UBH again upheld its denial of coverage. In its December 26, 2019 written  
27 notification, UBH stated that its decision to uphold the denial was “[b]ased on the Optum Level of  
28

1 Care Guideline for Mental Health Residential and Optum Common Criteria for Clinical Best  
2 Practices for All Levels of Care Guidelines,” and further explained:

3 Your child was doing better. She had made good progress in  
4 treatment. She was calm. Her mood was stable. She was not requiring  
5 medication to stabilize her mood or behavior. She was managing her  
6 activities of daily life without issue. It seems that her care could have  
7 continued in a less intensive setting.

8 71. Despite UBH’s November 22, 2019 decision that partial hospitalization services  
9 were medically necessary for Ms. Beach’s daughter, UBH continued to deny all coverage for all  
10 the treatment services Ms. Beach’s daughter was receiving at Newport Academy, even those that  
11 would have been provided in a partial hospitalization program.

12 72. In the meantime, Ms. Beach submitted an appeal/grievance to UBH on December  
13 3, 2019, objecting to UBH’s denial of coverage for her daughter’s treatment. In her letter, among  
14 other things, Ms. Beach informed UBH that the PHP level of care was not geographically accessible  
15 to her daughter. As Ms. Beach explained, the nearest partial hospitalization program was 25 miles  
16 from their home and would have required a commute of approximately 1.5 hours each way.

17 73. On January 13, 2020, Ms. Beach also submitted a second-level appeal request.

18 74. UBH did not respond to Ms. Beach’s December 3, 2019 appeal/grievance letter until  
19 February 3, 2020. Once again upholding its prior decisions, UBH again cited to its “Level of Care  
20 Guidelines,” explaining,

21 The criteria were not met because: Your child did not need the care  
22 provided in Residential Treatment Center setting. Your child could  
23 have been treated in a less intensive Level of Care.

24 In your case: Your child was participating in treatment and doing  
25 better. Your child had a more stable mood. Your child was less  
26 depressed and less anxious. Your child was not feeling like harming  
27 herself or others. Your child did not have clinical issues requiring  
28 24-hour monitoring in a residential setting. Your child did not have  
29 mental health issues preventing treatment in a less intensive setting.

30 75. UBH’s February 3, 2020 letter concluded that Ms. Beach’s daughter “could have  
31 continued care in a Mental Health Partial Hospitalization Program (PHP) setting, with family and

1 community supports.” The letter did not respond to the portion of Ms. Beach’s grievance that  
2 pointed out that PHP was not geographically accessible to her daughter.

3 76. UBH’s February 3, 2020 letter also stated, “[t]his is the Final Adverse Determination  
4 of your internal appeal. All internal appeals through UBH have been exhausted.”

5 77. On February 7, 2020, UBH informed Ms. Beach by phone that her January 13, 2020  
6 second-level appeal had been decided and that UBH had upheld the denial of coverage. Ms. Beach  
7 never received a written notification of the reasons for that determination.

8 78. By filing all administrative appeals required under the Beach Plan, Plaintiff Beach  
9 exhausted her administrative remedies.

10 79. Ms. Beach incurred significant, unreimbursed out-of-pocket expenses for her  
11 daughter’s residential treatment services from November 19, 2019 through December 6, 2019.  
12 After UBH denied any further coverage, on December 6, 2019, Ms. Beach was forced to remove  
13 her daughter from Newport Academy, against medical advice, because Ms. Beach did not have  
14 sufficient funds to continue paying for her daughter’s care out of pocket.

15 80. Even worse, Ms. Beach’s daughter did not receive the full course of residential  
16 treatment recommended by her treating providers, and she has suffered adverse consequences not  
17 only from having her residential treatment prematurely truncated, but also from being treated at a  
18 level of care that was not sufficiently intensive to provide effective treatment for her chronic mental  
19 health conditions.

20 81. Before removing her daughter from Newport Academy, Ms. Beach attempted to  
21 locate an available partial hospitalization program, but could not find one within reasonable  
22 geographic proximity to their home. Because UBH refused to authorize continued residential  
23 treatment services, and no PHP services were available, Ms. Beach’s daughter was admitted to an  
24 intensive outpatient program, a less-intensive level of care than PHP (which even UBH believed  
25 was medically necessary for Ms. Beach’s daughter).

26 82. Just over a week after her discharge from Newport Academy, Ms. Beach’s daughter  
27 became suicidal after returning home from intensive outpatient treatment. Ms. Beach sought help  
28

1 on an emergency basis from her daughter's therapist, who spent hours on the phone to see her  
2 through the crisis.

3 83. Having never received a full course of treatment at the intensity recommended by  
4 her providers, Ms. Beach's daughter continues to struggle with her mental health conditions. In  
5 November 2020, she attempted suicide by overdose, after which she was hospitalized for five days.

6 84. Despite its own finding that services at a partial hospitalization program level of  
7 care were medically necessary, UBH did not approve benefits for the services Ms. Beach's daughter  
8 received at Newport Academy at the rate applicable to that lesser-included level of care. Nor did  
9 UBH approve benefits for any of the component services Ms. Beach's daughter received while in  
10 residential treatment at Newport Academy. Instead, UBH denied coverage for the services in full,  
11 despite its own finding that Ms. Beach's daughter needed ongoing treatment.

12 85. In addition, despite its finding that PHP services were medically necessary for Ms.  
13 Beach's daughter, UBH's denial letters did not state it would authorize coverage for any portion of  
14 the treatment services Ms. Beach's daughter was receiving at Newport Academy, even the  
15 component services that were materially identical to those she would have received through a  
16 partial hospitalization program. UBH did not inform Ms. Beach that benefits were or would be  
17 approved for any lesser-included level of care. UBH's letters also did not describe what additional  
18 material or information would be necessary for Ms Beach to perfect a claim for the partial  
19 hospitalization services her daughter was receiving at Newport Academy. Instead, as dictated by  
20 its Facility-Based Behavioral Health Program Reimbursement Policy, UBH denied coverage, in  
21 full, for each day of residential treatment and all the component parts of that treatment.

22 86. The only reason UBH cited for denying coverage in full was that the request for  
23 residential treatment did not satisfy UBH's Level of Care Guidelines. UBH did not cite any  
24 administrative or clinical ground for denying coverage for the component services that were  
25 materially identical to those Ms. Beach's daughter would have received through a partial  
26 hospitalization program. At the same time, UBH admitted that partial hospitalization services were  
27 medically necessary and appropriate for Ms. Beach's daughter. Accordingly, UBH should have  
28

1 approved coverage under Ms. Beach’s Plan for the component services her daughter received that  
2 were materially identical to those provided in a partial hospitalization program.

3 **b. Plaintiff Doe**

4 87. On October 22, 2018, Plaintiff Doe was admitted to the Richard J. Caron Foundation  
5 (“Caron”) for residential detoxification treatment for his severe alcohol use disorder. UBH  
6 approved coverage for three days of detoxification, and allowed Mr. Doe to step down to residential  
7 rehabilitation, for which it approved nine days of coverage. As of November 2, 2018, however,  
8 UBH denied all further coverage for Mr. Doe’s residential rehabilitation services.

9 88. In its November 7, 2018 written notification of the adverse benefit determination,  
10 UBH cited Optum’s Level of Care Guideline for Substance Use Residential Rehabilitation Level  
11 of Care. The letter stated:

12 There is no clinical information to support the need for 24 hour  
13 residential rehabilitation care and support. You are medically stable.  
14 You are not having issues with significant withdrawals and you were  
15 not started on any medication assisted treatment that requires  
16 continued 24 hour Residential Rehabilitation monitoring or  
17 management. You are not reported to have any psychiatric issues that  
18 would prevent you from continuing treatment outside a 24 hour  
19 Residential Rehabilitation monitored setting. You are not in any  
20 danger of harming yourself or others, and are able to care for  
21 yourself. You have been involved in treatment and you have had  
22 substance recovery and coping skills education.

23 89. The letter concluded that Mr. Doe “could continue care” in a partial hospitalization  
24 program “with community resources such as sober living and 12 step programming.” Sober living  
25 services, which do not include clinical treatment services, are excluded under Mr. Doe’s plan. 12-  
26 step programming is a type of peer support typically provided at no cost in a community setting,  
27 and thus such programs are also not covered services under Mr. Doe’s plan.

28 90. Mr. Doe timely appealed the denial. UBH’s February 13, 2009 appeal denial letter  
also cited the Optum Level of Care Guideline for the Substance Use Disorder Residential  
Rehabilitation Level of Care, and explained:

[I]t is noted you had made progress and that your condition no longer  
met Guidelines for further coverage of treatment in this setting.

1           You were not in any serious or severe form of withdrawal. There was  
2           no medical comorbidity that required nursing care. Your psychiatric  
3           condition was stable. There was no psychosis, no suicidal ideation,  
4           no self-harm, no threats to others, no aggressive or bizarre behavior,  
5           and your behavior was under good control. You appeared to be  
6           engaged and participating in groups and activities without the need  
7           for strict supervision and monitoring. There was no risk of imminent  
8           relapse. Sober living was available, and your family was supportive.

9           91.     This time, UBH opined that Mr. Doe “could have continued care in the Substance  
10           Use Disorder Intensive Outpatient Program setting.” Residential treatment subsumes all the clinical  
11           components of an intensive outpatient program. Thus, services at an intensive outpatient level of  
12           care are necessarily included within residential treatment services.

13           92.     Mr. Doe submitted a second-level internal appeal, which UBH also denied. In a  
14           March 12, 2019 letter, UBH again upheld the denial of coverage, again citing “the Optum Level of  
15           Care Guideline for the SUBSTANCE USE DISORDER RESIDENTIAL REHABILITATION  
16           Level of Care.” The letter explained,

17                    [I]t is noted you had made progress and that your condition no longer  
18                    met Guidelines for further coverage of treatment in this setting.

19                    You were not in withdrawal. You had no medical comorbidity that  
20                    required 24 hour nursing care. Your psychiatric condition was stable.  
21                    You had no psychosis, no suicidal ideation, no self-harm, no threats  
22                    to others, no aggressive or bizarre behavior. You claimed to be  
23                    motivated for recovery and were engaged and participating in groups  
24                    and activities without the need for strict supervision and monitoring.  
25                    You had no risk of imminent relapse. Sober living was available, and  
26                    your family was supportive.

27           93.     UBH’s March 12, 2019 letter again opined that Mr. Doe “could have continued  
28           care” in the “SUBSTANCE USE DISORDER INTENSIVE OUTPATIENT PROGRAM setting.”

          94.     Even though his plan required only two levels of internal appeal, Mr. Doe tried yet  
again, submitting another appeal on May 28, 2019. UBH denied that appeal as well, again stating  
that the denial was “[b]ased on the Optum Level of Care Guideline for the Substance Use Disorder  
Residential Rehabilitation Level of Care.” UBH’s June 28, 2019 appeal denial letter further  
explained,



1 After reviewing the medical records, it is noted you had made  
2 progress and that your condition no longer met the Guidelines for  
3 further coverage of treatment in this setting. You were doing better.  
4 You were stable from a medical and mental health standpoint. You  
5 did not have serious post-acute withdrawal symptoms. You were  
6 motivated for recovery and participating in treatment. You were  
7 attending 12-step meetings. You were able to take care of your needs.  
8 You were tolerating your medication. You had your wife's support.  
9 You did not require 24-hour care.

10 95. The letter continued, "You could have continued care in the Substance Use Disorder  
11 Intensive Outpatient Program setting along with community support groups and medication-  
12 assisted treatment."

13 96. UBH's June 28, 2019 letter stated, "[t]his is the Final Adverse Determination of  
14 your internal appeal. All internal appeals through UBH have been exhausted."

15 97. By filing all administrative appeals required under the Doe Plan, Plaintiff Doe  
16 exhausted his administrative remedies.

17 98. Based on the clinical advice of his treating providers, Mr. Doe remained in  
18 residential rehabilitation until November 21, 2018. Mr. Doe incurred significant unreimbursed out-  
19 of-pocket expenses for the services he received there.

20 99. Each of UBH's letters denying coverage to Mr. Doe also stated that he "could  
21 continue care" in a Partial Hospitalization Program or Intensive Outpatient Treatment setting.  
22 Despite its own finding that services at the partial hospitalization or intensive outpatient levels of  
23 care were medically necessary, UBH did not approve benefits for the component services Mr. Doe  
24 received at Caron at the rates applicable to those lesser included levels of care. Instead, UBH denied  
25 coverage in full, despite its own recognition that Mr. Doe needed ongoing treatment.

26 100. In addition, despite its finding that PHP or IOP services were medically necessary  
27 for Mr. Doe, UBH's denial letters did not state that UBH would authorize coverage for any portion  
28 of the treatment services Mr. Doe was receiving at Caron, even the component services that were  
materially identical to those he would have received through PHP or IOP. UBH did not inform Mr.  
Doe that benefits were or would be approved for any lesser included level of care. The letters also  
did not describe what additional material or information would be necessary for Mr. Doe to perfect

1 a claim for the PHP or IOP services he was receiving a Caron. Instead, as dictated by its Facility-  
2 Based Behavioral Health Program Reimbursement Policy, UBH denied coverage, in full, for each  
3 day of residential treatment.

4 101. The only reason UBH cited for denying coverage in full was that the request for  
5 residential treatment did not satisfy UBH's Level of Care Guidelines. UBH did not cite any  
6 administrative or clinical ground for denying coverage for the component services that were  
7 materially identical to those Mr. Doe would have received through a partial hospitalization or  
8 intensive outpatient program. At the same time, UBH admitted that partial hospitalization services  
9 or intensive outpatient services were medically necessary and appropriate for Mr. Doe.  
10 Accordingly, UBH should have approved coverage under Mr. Doe's Plan for the component  
11 services Mr. Doe received that were materially identical to those provided in a partial  
12 hospitalization or intensive outpatient program.

13 **c. Plaintiff Loe**

14 102. On November 29, 2018, Plaintiff Loe's son was admitted to Telos Residential  
15 Treatment Center ("Telos") for residential treatment of his attention deficit hyperactivity disorder,  
16 generalized anxiety disorder, and mood disorder. UBH authorized coverage for about five days, but  
17 then denied coverage from December 4, 2018 onward.

18 103. In its April 23, 2019 written notification of the adverse benefit determination, UBH  
19 cited the "Optum Level of Care Guideline for the Mental Health Residential Treatment Center  
20 Level of Care" as the reason for its denial. The Letter stated:

21 Patient does not have thoughts to hurt himself or others . . . Patient  
22 has not been aggressive. . . Patient has been cooperative with  
23 treatment. . . Patient has been stable on medication.

24 104. The letter concluded that "care could continue" in a partial hospitalization program.

25 105. An urgent appeal was submitted on May 16, 2019, which UBH denied on June 14,  
26 2019. The appeal denial letter stated that the denial was "[b]ased on the Optum Level of Care  
27 Guideline for the Mental Health Residential Treatment Center Level of Care and Common Criteria  
28 for Clinical Best Practices for all levels of care," and stated:

1 As of 12/04/2018, [your son's] symptoms appeared to have stabilized  
2 to the extent that 24/7 monitoring in a supervised Residential setting  
3 was no longer required to avoid risk of harm to self or others. There  
4 was minimal evidence of further acute impairment of behavior or  
5 cognition that interfered with his activities of daily living to the  
6 extent his welfare or others was endangered. . . He was generally  
7 described as cooperative, responsive to staff, medication adherent,  
8 and doing better. . . There were no serious acute behavioral  
9 management challenges requiring 24 hour care and supervision. . .  
10 He had no suicidal or self harm thinking. . . He generally posed no  
11 risk of harm to others.

12 106. The letter also noted that Mr. Loe's son's "overall care could have continued at that  
13 point in a Partial Hospitalization setting, preferably near home, with individual therapy, family  
14 work and med management along with standard school adjustments."

15 107. Mr. Loe also submitted a second-level appeal on June 25, 2019, which UBH denied.  
16 In its July 25, 2019 denial letter, UBH again upheld the denial of coverage, again citing "the Optum  
17 Level of Care Guideline for the Mental Health Residential Treatment Center Level of Care." The  
18 letter stated:

19 [Y]our child's condition no longer met Guidelines for further  
20 coverage of treatment in this residential setting. He has not been  
21 aggressive. He was not a danger to self or others. He had been  
22 cooperative with the treatment and stable on his medicines. He had  
23 no medical complaints.

24 108. The letter again concluded that Mr. Loe's son "could continue care in a Mental  
25 Health Partial Hospitalization Program."

26 109. The July 25, 2019 letter further stated, "[t]his is the Final Adverse Determination of  
27 your internal appeal. All internal appeals through UBH have been exhausted."

28 110. By filing all administrative appeals required under the Loe Plan, Plaintiff Loe  
exhausted his administrative remedies.

111. Based on the clinical advice of his treating providers, Mr. Loe's son remained in  
residential treatment at Telos until April 22, 2019. Mr. Loe incurred significant unreimbursed out-  
of-pocket expenses for his son's residential treatment services from December 4, 2018 through

1 April 22, 2019. And, despite having approved five days of treatment, UBH never reimbursed Mr.  
2 Loe for those days.

3 112. Each of UBH's letters denying coverage to Mr. Loe's son also stated that care could  
4 continue in the Partial Hospitalization Program setting. Despite its own finding that services at a  
5 partial hospitalization program level of care were medically necessary, UBH did not approve  
6 benefits for the services Mr. Loe's son received at Telos at the rate applicable to that lesser included  
7 level of care. Nor did UBH approve coverage for any of the component services Mr. Loe's son  
8 received. Instead, UBH denied coverage in full, despite its own recognition that Mr. Loe's son  
9 needed ongoing treatment.

10 113. In addition, despite finding that PHP services were medically necessary for Mr.  
11 Loe's son, UBH's denial letters did not suggest it would authorize coverage for any portion of the  
12 treatment services Mr. Loe's son was receiving at Telos, even the component services that were  
13 materially identical to those he would have received in PHP. UBH did not inform Mr. Loe that  
14 benefits were or would be approved for any lesser-included level of care. The letters also did not  
15 describe what additional material or information would be necessary for Mr. Loe to perfect a claim  
16 for the PHP-equivalent services his son was receiving at Telos. Instead, as dictated by its Facility-  
17 Based Behavioral Health Program Reimbursement Policy, UBH denied coverage, in full, for each  
18 day of residential treatment.

19 114. The only reason UBH cited for denying coverage in full was that the request for  
20 residential treatment did not satisfy UBH's Level of Care Guidelines. UBH did not cite any  
21 administrative or clinical ground for denying coverage for the component services that were  
22 materially identical to those Mr. Loe's son would have received through a partial hospitalization  
23 program. At the same time, UBH admitted that partial hospitalization services were medically  
24 necessary and appropriate for Mr. Loe's son. Accordingly, UBH should have approved coverage  
25 under Mr. Loe's Plan for the component services his son received that were materially identical to  
26 those provided in a partial hospitalization program.

27  
28

1                    **d. Plaintiff Poe**

2                    115. On May 14, 2019, Plaintiff Poe was admitted to the Lindner Center of Hope  
3 (“Lindner”) in Mason, Ohio for residential treatment of his chronic depression and anxiety with  
4 substance abuse that made it difficult for him to function. Based on the clinical advice of his treating  
5 providers, Mr. Poe remained in residential treatment at Lindner until June 11, 2019. UBH approved  
6 coverage for fourteen days, but then denied coverage for Mr. Poe’s residential treatment, in full,  
7 from June 4, 2019 forward.

8                    116. In its June 7, 2019 written notification of its adverse benefit determination, UBH  
9 cited the “Optum Level of Care Guideline for the Mental Health Residential Treatment Center  
10 Level of Care,” and explained:

11                                    The criteria are not met because you do not need the care provided  
12                                    in a 24 hour Residential setting. You are doing better. In your case,  
13                                    you can control yourself better. You are less depressed. You are not  
   feeling like harming yourself or others.

14                    117. The letter concluded that Mr. Poe “could continue care in the mental health  
15 outpatient setting.”

16                    118. Mr. Poe submitted an appeal on August 12, 2019, which UBH received on August  
17 13, 2019. In that appeal, Mr. Poe stated he “would like to understand the clinical criteria and  
18 standards of care that United used in making the denial decision and how these are in line with  
19 national standards of care.” Under applicable ERISA regulations, UBH was required to provide  
20 Mr. Poe with the clinical criteria UBH used to make its determination.

21                    119. UBH did not respond to Mr. Poe’s appeal until February 4, 2020, almost six months  
22 later. UBH affirmed its denial, based on the “Optum Level of Care Guidelines for Mental Health  
23 Residential and the Optum Common Criteria and Clinical Best Practices for All Levels of Care  
24 Guidelines.” UBH explained:

25                                    You were doing better. You had worked hard and had made good  
26                                    progress. Your mood had improved. Your withdrawal symptoms  
27                                    from stimulants were better. You were calm and cooperative. It  
   seems that your care could have continued in a less intensive setting.

1           120. Mr. Poe submitted a second level appeal on March 24, 2020. In his appeal letter,  
2 Mr. Poe specifically requested that UBH provide coverage for medically necessary services that  
3 were “separate and apart from” residential treatment, including the costs of medications, labs and  
4 individual and group therapy.

5           121. On June 5, 2020, UBH denied Mr. Poe’s second level appeal, again citing the  
6 “Optum Level of Care Guidelines.” The letter represented that UBH’s denial of benefits did not  
7 mean that Mr. Poe “did not require additional health care, or that [he] needed to be discharged.”

8           122. By filing all administrative appeals required under the Poe Plan, Plaintiff Poe  
9 exhausted his administrative remedies.

10           123. Mr. Poe incurred significant unreimbursed out-of-pocket expenses for his residential  
11 treatment services. And, even though UBH approved coverage for 14 days of treatment, it  
12 underpaid the benefits due to Mr. Poe because it failed to separately calculate reimbursement of  
13 laboratory and pharmaceutical costs, as the Poe Plan required.

14           124. UBH’s letters denying coverage to Mr. Poe also stated that he “could continue care”  
15 in the mental health outpatient setting. Mr. Poe, moreover, explicitly requested that UBH cover  
16 services he received that would be covered at the less-intensive level of care.

17           125. Residential treatment subsumes clinical services such as individual and group  
18 therapy, medications, and labs, all of which would be covered on an outpatient basis under the Poe  
19 Plan. Thus, those services are necessarily included within residential treatment services.

20           126. Despite its own finding that outpatient services were medically necessary for Mr.  
21 Poe, UBH did not approve benefits for the services Mr. Poe received at the rate applicable to that  
22 lesser included level of care. Instead, UBH denied coverage in full, despite its own repeated  
23 conclusions that Mr. Poe needed ongoing treatment.

24           127. In addition, despite its finding that outpatient services were medically necessary for  
25 Mr. Poe, UBH’s denial letters did not state it would authorize coverage for any portion of the  
26 treatment services Mr. Poe was receiving at Lindner, even the component services that were  
27 materially identical to outpatient services. UBH did not inform Mr. Poe that benefits were or would  
28 be approved for any lesser-included level of care. The letters also did not describe what additional

1 material or information would be necessary for Mr. Poe to perfect a claim for the outpatient-  
2 equivalent services he was receiving at Lindner. Instead, as dictated by its Facility-Based  
3 Behavioral Health Program Reimbursement Policy, UBH denied coverage, in full, for each day of  
4 residential treatment.

5 128. The only reason UBH cited for denying coverage in full was that the request for  
6 residential treatment did not satisfy UBH's Level of Care Guidelines. UBH did not cite any  
7 administrative or clinical ground for denying coverage for the component services that were  
8 materially identical to those Mr. Poe could have received on an outpatient basis. At the same time,  
9 UBH admitted that ongoing services were medically necessary and appropriate for Mr. Poe.  
10 Accordingly, UBH should have approved coverage under Mr. Poe's Plan for the component  
11 services he received that were materially identical to services that are also available on an outpatient  
12 basis.

13 **e. Plaintiff Roe**

14 129. On June 3, 2019, Plaintiff Roe was admitted to LifeSkills South Florida/Pharos  
15 Group, LLC ("LifeSkills") for residential treatment of his substance abuse, depression, and anxiety.  
16 Mr. Roe was admitted to LifeSkills several weeks after experiencing frequent suicidal thoughts.

17 130. UBH denied all coverage. In its June 7, 2019 written notification of the adverse  
18 benefit determination, UBH cited the Optum Level of Care Guideline for the Mental Health  
19 Residential Treatment Center Level of Care. The Letter stated:

20 The criteria are not met because: . . . You are cooperative and doing  
21 better . . . You are thinking clearly. . . You have moderate symptoms  
22 of depressions. . . *You do not have concerning medical problems*  
(emphasis added).

23 131. The letter concluded that Mr. Roe "could continue care" in a partial hospitalization  
24 program, and noted that the denial did not mean that Mr. Roe needed to be discharged.

25 132. An urgent appeal was submitted on November 4, 2019, which UBH denied on  
26 December 4, 2019. The appeal denial letter stated that the denial was based on the "Optum Level  
27 of Care Guideline for the Mental Health Residential Level of Care," and stated:  
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1           The criteria were not met because: . . . In your case: You had  
2           moderate symptoms of depression . . . You had no evidence of  
          withdrawal . . . You were medically stable.

3           133. The letter concluded that Mr. Roe “could continue care” in a partial hospitalization  
4           program.

5           134. Mr. Roe also submitted a second-level internal appeal, which UBH denied. In a  
6           January 14, 2020 letter, UBH again upheld the denial of coverage, again citing “the Optum Level  
7           of Care Guideline for the Mental Health Residential Treatment Center Level of Care” and now also  
8           citing the “Common Criteria and Clinical Best Practices for all levels of care.”

9           135. UBH’s January 14, 2020 letter also stated, “[t]his is the Final Adverse Determination  
10          of your internal appeal. All internal appeals through UBH have been exhausted.”

11          136. By filing all administrative appeals required under the Roe Plan, Plaintiff Roe  
12          exhausted his administrative remedies.

13          137. Based on the clinical advice of his treating providers, Mr. Roe remained in  
14          residential treatment at the LifeSkills until August 31, 2019. Mr. Roe incurred significant  
15          unreimbursed out-of-pocket expenses for his residential treatment services.

16          138. Each of UBH’s letters denying coverage to Mr. Roe also stated that he “could  
17          continue care” in the Partial Hospitalization Program setting.

18          139. Despite its own finding that services at a partial hospitalization program level of  
19          care were medically necessary, UBH did not approve benefits for the services Mr. Roe received at  
20          the rate applicable to that lesser included level of care. Instead, UBH denied coverage in full, despite  
21          its own recognition that Mr. Roe needed ongoing treatment.

22          140. In addition, despite its finding that PHP services were medically necessary for Mr.  
23          Roe, UBH’s denial letters did not state it would authorize coverage for any portion of the treatment  
24          services Mr. Roe received, even the services that were materially identical to those he would have  
25          received through a partial hospitalization program. UBH did not inform Mr. Roe that benefits were  
26          or would be approved for any lesser-included level of care. The letters also did not describe what  
27          additional material or information would be necessary for Mr. Roe to perfect a claim for the PHP-  
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1 equitable services he received. Instead, as dictated by its Facility-Based Behavioral Health Program  
2 Reimbursement Policy, UBH denied coverage, in full, for each day of residential treatment.

3 141. The only reason UBH cited for denying coverage in full was that the request for  
4 residential treatment did not satisfy UBH's Level of Care Guidelines. UBH did not cite any  
5 administrative or clinical ground for denying coverage for the component services that were  
6 materially identical to those Mr. Roe would have received through a partial hospitalization  
7 program. At the same time, UBH admitted that partial hospitalization services were medically  
8 necessary and appropriate for Mr. Roe. Accordingly, UBH should have approved coverage under  
9 Mr. Roe's Plan for the component services he received that were materially identical to those  
10 provided in a partial hospitalization program.

11 **f. Plaintiff Zoe**

12 142. On July 8, 2019 John Zoe was admitted to Capstone Treatment Center ("Capstone")  
13 for residential treatment of his posttraumatic stress disorder. Based on the clinical advice of his  
14 treating providers, Mr. Zoe remained in treatment at Capstone until October 11, 2019.

15 143. UBH denied all coverage. In its February 24, 2020 written notification of the adverse  
16 benefit determination, UBH cited its Optum Level of Care Guideline for the Mental Health  
17 Residential Treatment Center Level of Care. UBH opined, "[y]our care could have continued in the  
18 Partial Hospitalization setting with therapy and medication management."

19 144. An appeal was submitted on May 11, 2020, which UBH denied on May 19, 2020.  
20 UBH's appeal denial letter reiterated that the denial was based on the "Optum Level of Care  
21 Guideline for the Mental Health Residential Treatment Center Level of Care," and stated:

22 You were admitted for treatment of your mood issues. Your care  
23 could have continued in the Partial Hospitalization Program setting  
24 with therapy and medication management. You had no symptoms  
25 which required 24 hour supervision.

26 145. The letter concluded that Mr. Zoe's condition "did not meet the Guidelines for  
27 Coverage. . . [and his] care and recovery could have continued in the Mental Health Partial  
28 Hospitalization Program."

1           146. Mr. Zoe also submitted a second-level appeal on May 28, 2020, which UBH also  
2 denied. In a June 5, 2020 letter, UBH again upheld the denial of coverage, again citing “the Optum  
3 Level of Care Guideline for the Mental Health Residential Treatment Center Level of Care” and  
4 now citing the “Optum Common Criteria and Clinical Best Practices for All Levels of Care  
5 Guidelines.” The letter stated that Mr. Zoe’s claim was denied because:

6                           You were wanting to work on your childhood trauma. You had good  
7 family support. Your mood was generally stable. You did not want  
8 to harm yourself. You did not want to harm others. You were not  
9 having any significant withdrawal symptoms from your cannabis  
use. You were calm and cooperative. *It seems that your care could  
have continued in a less intensive setting.* (emphasis added).

10           147. The June 5, 2020 letter also stated, “[t]his is the Final Adverse Determination of  
11 your internal appeal. All internal appeals through UBH have been exhausted.”

12           148. By filing all administrative appeals required under the Zoe Plan, John Zoe exhausted  
13 his administrative remedies.

14           149. As a result of UBH’s repeated medical-necessity denials, Mr. Zoe incurred  
15 significant unreimbursed out-of-pocket expenses for the services he received there.

16           150. UBH’s letters denying coverage to Mr. Zoe, however, uniformly stated that Mr. Zoe  
17 could have continued care in a Partial Hospitalization Program or a less intensive setting.

18           151. Despite its own finding that services at a partial hospitalization program level of  
19 care were medically necessary, UBH did not approve benefits for the services Mr. Zoe received at  
20 the rate applicable to that lesser included level of care, nor did UBH suggest it would do so at Mr.  
21 Zoe’s request. Instead, UBH denied coverage in full, despite its own recognition that Mr. Zoe  
22 needed ongoing treatment.

23           152. In addition, despite finding that PHP services were medically necessary for Mr. Zoe,  
24 UBH’s denial letters did not suggest it would authorize coverage for any portion of the treatment  
25 services Mr. Zoe received, even the component services that were materially identical to those he  
26 would have received in PHP. UBH did not inform Mr. Zoe that benefits were or would be approved  
27 for any lesser-included level of care. The letters also did not describe what additional material or  
28 information would be necessary for Mr. Zoe to perfect a claim for the PHP-equivalent services he

1 received. Instead, as dictated by its Facility-Based Behavioral Health Program Reimbursement  
2 Policy, UBH denied coverage, in full, for each day of residential treatment.

3 153. The only reason UBH cited for denying coverage in full was that the request for  
4 residential treatment did not satisfy UBH's Level of Care Guidelines. UBH did not cite any  
5 administrative or clinical ground for denying coverage for the component services that were  
6 materially identical to those Mr. Zoe would have received through a partial hospitalization program.  
7 At the same time, UBH admitted that partial hospitalization services were medically necessary and  
8 appropriate for Mr. Zoe. Accordingly, UBH should have approved coverage under Mr. Zoe's Plan  
9 for the component services he received that were materially identical to those provided in a partial  
10 hospitalization program.

### 11 **CLASS ACTION ALLEGATIONS**

12 154. Plaintiffs incorporate by reference the preceding paragraphs as though such  
13 paragraphs were fully stated herein.

14 155. UBH serves as the claims administrator fiduciary for mental health and substance  
15 abuse treatment claims for other ERISA-governed health insurance plans that define covered  
16 mental health and substance use disorder services in the same way as the Plaintiffs' Plans, including  
17 enumerating the covered component services and imposing the essential prerequisite that treatment  
18 must be consistent with generally accepted standards of care. The policies and practices described  
19 above that UBH followed with respect to the requests for coverage filed by Plaintiffs are the same  
20 as those that UBH has applied to other similarly situated plan participants and beneficiaries seeking  
21 coverage under the health plans for mental health and substance use disorder treatment.

22 156. As such, pursuant Federal Rule of Civil Procedure 23, Plaintiffs bring their claims,  
23 set forth in the counts below, on behalf of the following putative classes of similarly situated  
24 individuals.

#### 25 **a. Guideline Denial Class**

26 157. The "Guideline Denial Class" is defined as follows:

27 Any member of a health benefit plan governed by ERISA whose  
28 request for coverage of residential treatment services for a mental

1 illness or substance use disorder was denied, in whole or in part, by  
2 UBH, between February 8, 2018 and the present, based solely upon  
3 UBH's Level of Care Guidelines, and was not subsequently  
4 approved in full following an administrative appeal.

5 158. Plaintiffs Beach, Doe, Loe, Poe, Roe, and Zoe will be the Class Representatives for  
6 the Guideline Denial Class.

7 **b. Bundled Denial Subclass**

8 159. The "Bundled Denial Subclass" is defined as follows:

9 Any member of the Guideline Denial Class (a) whose written  
10 notification of denial states that services would be appropriate or  
11 could be provided at a specified level of care other than residential  
12 treatment; and (b) whose request for coverage of residential  
13 treatment UBH denied on a bundled, "per diem" basis rather than  
14 either approving services at the applicable rate for the alternative  
15 level of care UBH identified in its denial letter or approving coverage  
16 for any component services enumerated in the plan and provided as  
17 part of the residential treatment program for which coverage was  
18 requested.

19 160. Plaintiffs Beach, Doe, Loe, Poe, Roe, and Zoe, will be the Class Representatives for  
20 the Bundled Denial Subclass.

21 161. The members of the Guideline Denial Class and the Bundled Denial Subclass can  
22 be objectively ascertained through the use of information contained in UBH's files because UBH  
23 knows who its insureds are, which plans they are insured by, what type of claims they have filed,  
24 and how those claims were adjudicated.

25 162. There are so many persons within each of the putative Classes that joinder is  
26 impracticable.

27 163. Certification of the Classes is desirable and proper because there are questions of  
28 law and fact in this case that are common to all members of each respective Class and to the  
members of both of the putative Classes. Such common questions of law and fact include, but are  
not limited to, the following:

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- What legal duties does ERISA impose upon UBH when it serves as a claims administrator for mental health and substance use disorder claims?
- What is the collateral estoppel effect of Judge Spero’s post-trial Findings of Fact and Conclusions of Law in the *Wit* Litigation with respect to questions at issue in this case?
- Did UBH engage in a fiduciary act when it developed its mental health and substance use level of care guidelines?
- Did UBH engage in a fiduciary act when it adjudicated and denied the class members’ requests for benefits?
- Did UBH allow its own financial self-interest to infect its development of its Level of Care Guidelines?
- Were UBH’s 2018 and 2019 Level of care Guidelines consistent with and a reasonable interpretation of the relevant generally accepted standards of care?
- Did UBH breach its fiduciary duties by denying coverage to the class members using its Level of Care Guidelines?
- Did UBH’s standard policy and practice of issuing Guideline-based denials of claims for all services received during residential treatment on a bundled, “per-diem” basis violate the terms of the class members’ Plans?

164. What remedies are available if UBH is found liable for the claims alleged?

165. Certification is desirable and proper because the Plaintiffs’ claims are typical of the claims of the members of each Class Plaintiffs seek to represent.

166. Certification is also desirable and proper because Plaintiffs will fairly and adequately protect the interests of each Class they seek to represent. There are no conflicts between Plaintiffs’ interests and those of other members of the Classes, and Plaintiffs are cognizant of their duties and responsibilities to all members of each Class. Plaintiffs’ attorneys are qualified, experienced and able to conduct the proposed class action litigation.

1 167. It is desirable to concentrate the litigation of these claims in this forum. The  
2 determination of the claims of all class members in a single forum, and in a single proceeding would  
3 be a fair and efficient means of resolving the issues in this litigation.

4 168. The difficulties likely to be encountered in the management of a class action in this  
5 litigation are reasonably manageable, especially when weighed against the virtual impossibility of  
6 affording adequate relief to the members of the class through numerous separate actions.

7 **COUNT I**

8 **Denials Pursuant to UBH's Excessively-Restrictive Guidelines**

9 169. Plaintiffs incorporate by reference the factual allegations above as though such  
10 allegations were fully stated herein.

11 170. Plaintiffs bring this Count on behalf of themselves and all others similarly situated.

12 171. As alleged above, UBH has and exercises delegated discretionary authority with  
13 respect to the administration of mental health and substance use disorder benefits under the  
14 Plaintiffs' and class members' employer-sponsored health Plans. As such, UBH is an ERISA  
15 fiduciary.

16 172. As an ERISA fiduciary, pursuant to 29 U.S.C. § 1104(a), UBH owes fiduciary duties  
17 to the plan members, among other things, to carry out its duties solely in the interest of the  
18 participants and beneficiaries of the Plans, to exercise reasonable prudence and due care, and to  
19 comply with the terms of the Plans insofar as they comply with ERISA.

20 173. UBH breached its fiduciary duties and violated ERISA by, among other things,  
21 allowing its own financial self-interest to infect its development of its Level of Care Guidelines;  
22 developing Guidelines that were much more restrictive than generally accepted standards of care;  
23 and then using those Guidelines to deny the Plaintiffs' and the putative class members' requests for  
24 coverage under the provisions of their Plans, which require services to be consistent with generally  
25 accepted standards of care.

26 174. In so doing, UBH violated the written terms of Plaintiffs' and the class members'  
27 Plans, and wrongfully denied coverage under those Plans, by issuing denials based on Guidelines  
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1 that conflicted with, and were an unreasonable interpretation of, the written provision in the Plans  
2 that required services to be consistent with generally accepted standards of care.

3 175. Plaintiffs have been harmed, and are likely to be harmed in the future, by UBH's  
4 misconduct alleged herein. Each of the Plaintiffs incurred substantial, unreimbursed out-of-pocket  
5 expense as a result of UBH's unlawful denials. In addition, Plaintiff Beach was forced to remove  
6 her daughter from residential treatment prematurely because of UBH's wrongful denial of  
7 coverage. The other members of the putative class likewise suffered monetary loss as a result of  
8 UBH's wrongful denials, and/or were forced to forego treatment or obtain different treatment than  
9 the services for which they requested coverage.

10 176. ERISA provides a right of action for plan participants and beneficiaries to (among  
11 other things) enforce their rights under the terms of their plans and clarify their right to future  
12 benefits under the terms of their plans. 29 U.S.C. § 1132(a)(1)(B). ERISA also provides a right of  
13 action for participants and beneficiaries to sue to enjoin any act or practice which violates any  
14 provision of ERISA or the terms of their plans. 29 U.S.C. § 1132(a)(3)(A). ERISA also provides a  
15 right of action for participants and beneficiaries to obtain other appropriate equitable relief to  
16 redress violations of ERISA or their plan terms or to enforce ERISA or the terms of their plans. 29  
17 U.S.C. § 1132(a)(A)(B).

18 177. Accordingly, Plaintiffs bring this Count under ERISA, 29 U.S.C. § 1132(a)(1)(B),  
19 and, to the extent that the relief available under § 1132(a)(1)(B) is not adequate to fully remedy  
20 UBH's misconduct alleged in this Complaint, Plaintiffs also bring this Count pursuant to ERISA,  
21 29 U.S.C. §§ 1132(a)(3)(A) and (a)(3)(B).

22 178. Plaintiffs seek the relief identified in the Prayer for Relief, below, to remedy UBH's  
23 breaches of fiduciary duty and violations of their Plans and ERISA.

## 24 COUNT II

### 25 Denials of All Services Received in Residential Treatment on a Bundled Basis

26 179. Plaintiffs incorporate by reference the factual allegations above as though such  
27 allegations were fully stated herein.

28 180. Plaintiffs bring this Count on behalf of themselves and all others similarly situated.

1           181. As alleged above, UBH denied coverage to the Plaintiffs and the members of the  
2 putative class based solely on UBH's conclusion, under its own self-serving Guidelines, that  
3 services at the residential treatment level of care were not necessary or appropriate for the patient,  
4 pursuant to UBH's interpretation of generally accepted standards of care. However, in so doing,  
5 UBH expressly opined in its written notifications of denial that a different, less-intensive level of  
6 care was appropriate for each member.

7           182. Despite making a determination, as to each Plaintiff and class member, that services  
8 at a less-intensive level of care would be consistent with generally accepted standards (as UBH  
9 interpreted them), and despite its failure to cite any administrative or clinical reason for denying  
10 coverage for services at the identified less-intensive level of care, UBH did not approve coverage  
11 for any portion of the requested residential treatment services, including component services  
12 expressly covered under the Plaintiffs' and class members' plans. Instead, UBH denied coverage  
13 for all services the members received while in residential treatment, bundled together.

14           183. UBH's standard policy and practice of denying coverage for all services whenever  
15 it concludes that generally accepted standards do not support treatment at a particular level of care,  
16 rather than considering the services on an un-bundled basis, violates the Plaintiffs' and class  
17 members' plans, which cover facility-based services at a full range of service intensities (including  
18 but not limited to residential treatment, partial hospitalization programs, and intensive outpatient  
19 programs) and also expressly cover certain component services that are "integral" to and typically  
20 provided as part of residential treatment programs, including but not limited to evaluations,  
21 assessment and treatment planning; individual, group, and family therapy; medication  
22 management; lab testing; and pharmaceutical products. UBH's plan-violating denials also violated  
23 ERISA for the same reasons.

24           184. UBH's overbroad denials also breached UBH's fiduciary duties to the plan  
25 members. Instead of administering benefits solely in the interests of the plan members and "for the  
26 exclusive purpose of. . . providing benefits to participants and their beneficiaries," UBH developed  
27 and applied a standard policy designed to minimize the amount of benefits paid to plan members  
28 and to maximize the impact of any denial of coverage.





1 C. Designating Zuckerman Spaeder LLP and Psych-Appeal, Inc. as Class Counsel;

2 D. Declaring that the criteria in the 2018 and 2019 Level of Care Guidelines are not  
3 consistent with generally accepted standards of care;

4 E. Declaring that UBH's policy and practice of denying benefits for otherwise-covered  
5 services for the sole reason that UBH required those services to be submitted on a "bundled" basis  
6 with additional services for which UBH denied coverage violates ERISA and the terms of  
7 Plaintiffs' plans;

8 F. Permanently enjoining UBH from denying benefits for otherwise-covered services  
9 for the sole reason that those services were provided along with additional services for which UBH  
10 denied coverage;

11 G. Ordering UBH to reprocess the Plaintiffs' and class members' requests for coverage  
12 that it wrongfully denied based on its 2018 or 2019 Level of Care Guidelines, pursuant to medical  
13 specialty association guidelines that are consistent with generally accepted standards of medical  
14 practice;

15 H. Ordering UBH to approve benefits for the services that it previously concluded were  
16 medically necessary under its Guidelines, as stated in its written notifications of adverse benefit  
17 determination sent to Plaintiffs and the class members, and to pay pre- and post-judgment interest  
18 on those benefits;

19 I. Awarding other appropriate equitable relief, including but not necessarily limited to  
20 an appropriate monetary award based on disgorgement, restitution, surcharge or other basis, and  
21 additional declaratory and injunctive relief;

22 J. Awarding Plaintiffs disbursements and expenses of this action, including reasonable  
23 attorneys' and expert fees, in amounts to be determined by the Court, pursuant to 29 U.S.C.  
24 § 1132(g); and/or

25 K. Granting such other and further relief as is just and proper in light of the evidence,  
26 including but not limited to removal of UBH as a fiduciary as a result of its pattern of conduct in  
27 violation of its fiduciary duties under ERISA.

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Dated: November 4, 2021

PSYCH-APPEAL, INC.

/s/ Meiram Bendat  
Meiram Bendat (Cal. Bar No. 198884)

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