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ASC suit accusing Elevance of \$5.4M+ in unpaid claims revived

A circuit court has [reinstated](#) a suit from the Costa Mesa, Calif.-based South Coast Specialty Surgery Center accusing Blue Cross of California, which does business as Anthem Blue Cross, of racking up more than \$5.4 million in unpaid claims.

A district court dismissed the suit in July 2022, saying the Employee Retirement Income Security Act of 1974, which many South Coast patients are insured under and which the ASC filed suit under, allows plan participants to sue, but not the ASC. The Ninth Circuit's Jan. 10 opinion reversed the order, arguing that patients of South Coast signed a form that conferred the ASC the right to sue on their behalf.

The wording of the "assignment of benefits" form, according to the opinion, "clearly conveys that South Coast and its patients intended that it operate as a valid assignment for the payment of insurance benefits."

In 2019, according to the suit, Anthem instituted a prepayment review process which allegedly curtailed its coverage. South Coast alleges Anthem ignored ERISA-backed insurance plans and implemented its own pricing, as well as rejected claims without proper reference to the ERISA plans, among committing other violations.

Anthem allegedly failed to cover around 150 medical claims — a shortfall allegedly exceeding \$5.4 million. The suit sought to recoup the losses from Anthem's failure to pay.

Anthem did not respond to *Becker's* request for comment. This piece will be updated if more information becomes available.