

Susman Godfrey Wins More Than \$14 Million in Landmark HSH v Cigna Out-of-Network Insurance Payments Case

HOUSTON (June 1, 2016) — Susman Godfrey has secured in excess of \$14 million in a precedent-setting victory for Humble Surgical Hospital against health insurer CIGNA. In his decision, District Court Judge Kenneth Hoyt of the U.S. District Court for the Southern District of Texas found that CIGNA violated the terms of its policies by denying coverage to patients who exercised their contractual right to choose Humble Surgical Hospital, an out-of-network provider, for care. The court dismissed all of CIGNA's claims, and found for Humble on its affirmative claims.

In recognition of the seriousness of CIGNA's actions, Judge Hoyt ordered the insurer to pay in excess of \$14 million to Humble Surgical Hospital — \$11.4 million in actual damages (the requested amount); \$2.3 million in ERISA penalties; and attorney fees to be determined at a later date.

"This is an important victory not only for our client Humble Surgical Hospital, but for every American's right to choose their healthcare provider," said Brian D. Melton, a partner with Susman Godfrey and lead counsel to Humble Surgical Hospital. "CIGNA acted egregiously in withholding payments, particularly from smaller, physician-owned hospitals that often do not have the resources to pursue restitution. Today's decision sends a clear message that this will not be tolerated."

Humble Surgical Hospital filed its case against CIGNA after the insurer sued the hospital alleging it had inflated its bills. In his ruling, Judge Hoyt dismissed CIGNA's claims, and in doing so found no evidence Humble Surgical Hospital had improperly billed for any care, and that all services were medically necessary. CIGNA recovered nothing on its affirmative claims for relief.

"We are very pleased by this decision as it proves without any doubt that we billed our patients appropriately for medically-necessary treatments," said Jake Kohl, the Vice President of Humble Surgical Hospital. "We are also happy to have struck a resounding blow for hospitals, facilities and providers that have been mistreated by insurers."

The case is Civil Action No. 4:13-cv-3291; Connecticut Gen. Life Ins. Co. and CIGNA Health and Life Ins. Co. v. Humble Surgical Hosp., LLC; In the United States District Court for the Southern District of Texas, Houston Division (Judge Kenneth Hoyt).

Mr. Melton was assisted on the case by Susman Godfrey partners Jonathan J. Ross and Chanler A. Langham, and associate John P. Lahad.