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**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA**

CHRIS C.

Plaintiff,

v.

AETNA HEALTH AND LIFE
INSURANCE COMPANY; MAJOR
LEAGUE BASEBALL PLAYERS
BENEFIT PLAN

Defendants.

Case No.

**PLAINTIFF CHRIS C.'S COMPLAINT
FOR BREACH OF THE EMPLOYEE
RETIREMENT INCOME SECURITY
ACT OF 1974 (ERISA); BREACH OF
FIDUCIARY DUTY; ENFORCEMENT
AND CLARIFICATION OF RIGHTS;
PREJUDGMENT AND POSTJUDGMENT
INTEREST; AND ATTORNEYS' FEES
AND COSTS**

Plaintiff, CHRIS C. herein sets forth the allegations of this Complaint against Defendants AETNA HEALTH AND LIFE INSURANCE COMPANY; MAJOR LEAGUE BASEBALL PLAYERS BENEFIT PLAN.

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PRELIMINARY ALLEGATIONS**JURISDICTION**

1. Plaintiff brings this action for relief pursuant to Section 502 (a) (1) (B) and Section 502 (a) (3) of the Employee Retirement Income Security Act (“ERISA”), 29 U.S.C. Section 1132 (a) (1) (B). This Court has subject matter jurisdiction over Plaintiff’s claim pursuant to ERISA Section 502 (e) and (f), 29 U.S.C. Section 1132 (e), (f), and (g) and 28 U.S.C. Section 1331 as it involves a claim made by Plaintiff for employee benefits under an employee benefit plan regulated and governed under ERISA. Jurisdiction is predicated under these code sections as well as 28 U.S.C. Section 1331 as this action involves a federal question.

2. This action is brought for the purpose of recovering benefits under the terms of an employee benefit plan and enforcing Plaintiff’s rights under the terms of an employee benefit plan.

3. Plaintiff seeks relief, including but not limited to: past mental health benefits in the correct amount related to Defendants’ improper denial of Plaintiff’s claim; prejudgment and post judgment interest; general and special damages; and attorneys’ fees and costs; injunctive relief enjoining the Plan from imposing accreditation requirements constitute non-quantitative treatment limitations (“NQTLS”), either as written or as applied, or both; and any other relief that may arise during the pendency of this action and that the Court may deem appropriate.

PARTIES

4. At all relevant times, Plaintiff Chris C. participated in the MAJOR LEAGUE BASEBALL PLAYERS BENEFIT PLAN (“the Plan”), an employee welfare benefit plan within the meaning of ERISA section 3(1), 29 U.S.C. § 1002(1).

5. The Benefit Plan Office was, at all relevant times, the Plan Administrator.

6. Mental Health benefits under the Plan were at all relevant times administered by Defendant AETNA HEALTH AND LIFE INSURANCE COMPANY (“Aetna”).

7. Aetna is a health insurance provider authorized to transact and currently transacting the business of insurance in the State of California.

8. At all relevant times, the Plan was an insurance plan that offered, *inter alia*, mental health benefits to employees and their beneficiaries, including Plaintiff. This action involves mental health claims denied by the Plan's mental health claim administrator.

FACTS

9. The Plan guarantees, warrants, and promises "Mental Health Services" for members and their beneficiaries, including but not limited to: health care services, mental health care, and the treatment at issue herein.

10. A.C. is Chris C.'s daughter, and was, at all relevant times, a beneficiary of the Plan.

11. At all relevant times, the Plan was in full force and effect.

12. The Plan guarantees, promises, and warrants benefits for medically necessary covered health care services.

13. The Plan guarantees coverage for inpatient and outpatient treatment of mental health conditions.

14. The Plan states that eligible inpatient services include medically necessary mental health treatment.

15. The Plan further states that "You are an inpatient when you are admitted to a hospital for medical services."

16. The Plan defines "Hospital" as follows:

an institution engaged primarily in providing diagnostic and therapeutic facilities for surgical and medical diagnosis and treatment and care for injured and sick individuals by and under the supervision of a staff of physicians who are licensed to practice medicine. .

. *Hospital also may mean a specialized facility that provides alcohol detoxification services or necessary medical treatment for drug abuse, or inpatient treatment for mental illnesses, and in each case is approved for that specialized purpose by the Joint Commission on Accreditation of Hospitals or Council of Accreditation of the state where it is located. (emphasis added)*

17. California's Mental Health Parity Act, Health & Safety Code §1374.72, as well as the Federal Mental Health Parity and Addictions Equity Act of 2008 ("MHPAEA") specifically require that

1 health care plans provide medically necessary diagnosis, care and treatment for the treatment of specified
2 mental health illnesses at a level equal to the provision of benefits for physical illnesses.

3 18. At all relevant times, A.C. was diagnosed with, *inter alia*, major depressive disorder,
4 ADHD, social communication disorder, eating disorder, and avoidant personality disorder traits.

5 19. During early adolescence, A.C. began struggling with self-harm and suicidal ideations.

6 20. Despite ongoing outpatient therapy, A.C.'s condition continued to deteriorate. Her self-
7 harm escalated, and she made three attempts to commit suicide prior to her admission to residential
8 treatment.

9 21. At the recommendation of her treatment providers, A.C. was admitted to Uinta Academy
10 Residential Treatment Center ("Uinta").

11 22. Uinta is a specialized treatment facility that provides inpatient treatment for mental
12 illnesses.

13 23. Uinta is accredited by the National Association of Therapeutic Schools and Programs
14 ("NATSAP").

15 24. At all times relevant, A.C.'s treatment at Uinta was medically necessary, based upon the
16 reasoned medical opinions of her treaters.

17 25. Plaintiff filed claims for mental health benefits pursuant to the terms of the Plan for A.C.'s
18 treatment at Uinta.

19 26. Aetna, by and through the Plan, denied Plaintiff's claims via a series of explanations of
20 benefits ("EOBs").

21 27. One of Aetna's EOBs dated October 7, 2021 stated "These expenses are not covered
22 because this provider does not meet the plan definition of a 'physician.'"

23 28. Another EOB dated October 19, 2021 stated "The member's plan only covers charges we
24 find as needed to diagnose, care, or treat the condition. Based on the materials you sent to us, we don't
25 cover this."

26 29. Plaintiff timely appealed Aetna and the Plan's denials of A.C.'s claims for treatment at
27 Uinta.

28 30. The Plan denied Plaintiff's appeal.

1 31. The Plan’s denial of Plaintiff’s appeal claimed—for the first time in the appeals process—
2 that Plaintiff’s claim was denied because Uinta is not recognized and approved by the Joint Commission
3 on Accreditation of Hospitals or the Council on Accreditation of the state where the service is rendered.

4 32. In denying Plaintiff’s claim for care and treatment for A.C., Defendants used
5 nonquantitative treatment limitations (“NQTL”)s on behavioral health benefits that do not also generally
6 apply to medical and surgical benefits.

7 33. In denying Plaintiff’s claim for care and treatment for A.C., Defendants imposed an
8 accreditation requirement that does not apply to outdoor behavioral health treatment.

9 34. Uinta is accredited by the National Association of Therapeutic Schools and Programs
10 (“NATSAP”) which is the more applicable accreditation agency for residential treatment programs,
11 wilderness programs, and outdoor therapeutic programs.

12 35. By imposing accreditation requirements that are more applicable to medical/surgical
13 treatment, while ignoring the accreditation requirements that apply to residential treatment programs,
14 wilderness programs, and outdoor therapeutic programs, Defendants effectively limit coverage for such
15 treatment.

16 36. The NQTLs Defendants used in denying Plaintiff’s claims are unfair and biased against
17 approving claims for mental health treatment such as are at issue herein, and are prohibited under the
18 Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

19 37. As a result of Defendants’ denials, Plaintiff was forced to pay for A.C.’s care and
20 treatment at Uinta from his own personal funds.

21 38. Plaintiff has exhausted all administrative remedies regarding the denial of A.C.’s
22 mental health benefits.

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CLAIMS FOR RELIEF

FIRST CAUSE OF ACTION

Recovery of Benefits Due Under an ERISA Benefit Plan

**(Against AETNA HEALTH AND LIFE INSURANCE COMPANY; MAJOR LEAGUE
BASEBALL PLAYERS BENEFIT PLAN; Enforcement and Clarification of Rights,
Prejudgment and Post Judgment Interest, and Attorneys' Fees and Costs, Pursuant to ERISA
Section 502(a)(1)(B), 29 U.S.C. Section 1132(a)(1)(B))**

39. Plaintiff incorporates all preceding paragraphs of this Complaint as though fully set forth herein.

40. ERISA Section 502(a)(1)(B), 29 U.S.C. Section 1132(a)(1)(B) permits a plan participant to bring a civil action to recover benefits due under the terms of the plan and to enforce Plaintiff's rights under the terms of a plan.

41. At all relevant times, Plaintiff and his daughter A.C. were insured under the health care plan at issue herein, and Plaintiff's daughter A.C. met the covered health services and medical necessity criteria for treatment required under the terms and conditions of the Plan.

42. Defendants wrongfully denied Plaintiff's benefits for treatment in the following respects, among others:

(a) Failure to authorize and pay for medical services rendered to A.C. as required by the Plan at a time when Defendants knew Plaintiff was entitled to such benefits under the terms of the Plan;

(b) Failure to provide reasonable explanations of the bases relied on under the terms of the Plan, in relation to the applicable facts and plan provisions, for the denial of Plaintiff's claims for medical benefits;

(c) After Plaintiff's claims were denied in whole or in part, failure to adequately describe to Plaintiff any additional material or information necessary to perfect his claim along with an explanation of why such material is or was necessary;

(d) Failure to properly and adequately investigate the merits of Plaintiff's medical claims and/or provide alternative and medically appropriate courses of treatment;

(e) Failure to provide Plaintiff with a full and fair review pursuant to 29 C.F.R. § 2560.501-1 (h)(3)(ii) by affording deference to the initial adverse benefits determination and having the appeal reviewed by a non-fiduciary of the plan;

(f) Failure to provide Plaintiff with a full and fair review pursuant to 29 C.F.R. § 2560.501-1 (h)(3)(iii) by failing to consult with health care professionals who have appropriate training and experience in the field of medicine involved in the medical judgment;

(g) Failure to thoroughly and independently evaluate both A.C. and her medical records prior to issuing their denials of Plaintiff's claim and his appeal.

43. By denying Plaintiff's mental health claim, Defendants have violated, and continue to violate, the terms of the Plan, the terms of ERISA, and Plaintiff's rights thereunder.

44. The provisions of an ERISA plan should be construed so as to render none nugatory and to avoid illusory promises.

**SECOND CAUSE OF ACTION
(Claim for Violation of MHPAEA Under 29 U.S.C. §1132(a)(3))
(Against Defendants AETNA HEALTH AND LIFE INSURANCE COMPANY; MAJOR LEAGUE BASEBALL PLAYERS BENEFIT PLAN)**

45. MHPAEA is incorporated into ERISA and is enforceable by ERISA participants and beneficiaries as a requirement of both ERISA and MHPAEA.

46. Generally, MHPAEA requires ERISA plans to provide no less generous coverage for treatment of mental health and substance use disorders than they provide for treatment of medical/surgical disorders.

47. Specifically, MHPAEA prohibits ERISA plans from imposing treatment limitations on mental health or substance use disorder benefits that are more restrictive than the predominant treatment limitations applied to substantially all medical and surgical benefits and also makes illegal separate treatment limitations that are applicable only with respect to mental health or substance use disorder benefits. 29 U.S.C. §1185a(a)(3)(A)(ii).

48. Impermissible nonquantitative treatment limitations ("NQTL"s) under MHPAEA include, but are not limited to, medical management standards limiting or excluding benefits based on medical necessity, restrictions based on geographic location, facility type, provider specialty, and other criteria that limit the scope or duration of benefits for mental health or substance use disorder treatment. 29 C.F.R. §2590.712(c)(4)(ii)(A) and (H).

49. Comparable benefits offered by the Plan for medical/surgical treatment analogous to the benefits the Plan excluded for A.C.'s treatment include sub-acute inpatient treatment settings such as skilled nursing facilities, inpatient hospice care. For none of these types of treatment do Defendants exclude coverage for medically necessary care of medical/surgical conditions based on geographic location, facility type, provider specialty, accreditation, or other criteria in the manner Defendants excluded coverage of treatment for A.C. at Uinta.

50. The actions of Defendants in requiring that Uinta, a specialized facility that renders inpatient treatment for mental illness, be accredited by specific agencies deviates from the Plan's operation in evaluating the benefits of treatment for sub-acute care for individuals being treated for medical/surgical conditions and violates MHPAEA.

51. In this manner, the Defendants violate 29 C.F.R. §2590.712(c)(4)(i) because the terms of the Plan and the criteria utilized by Defendants, as written or in operation, use processes, strategies, standards, or other factors to limit coverage for mental health or substance use disorder treatment in a way that is inconsistent with, and more stringently applied, than the processes, strategies, standards or other factors used to limit coverage for medical/surgical treatment in the same classification.

52. The actions of Defendants, as outlined above, have caused damage to Plaintiff in the form of denial of payment for medical services provided to A.C.

53. The violations of MHPAEA by Defendants give Plaintiff the right to obtain appropriate equitable remedies as provided under 29 U.S.C. §1132(a)(3) including, but not limited to: surcharge, estoppel, restitution, disgorgement, injunction, accounting, constructive trust, equitable lien, declaratory relief, unjust enrichment, and specific performance, together with prejudgment interest pursuant to U.C.A. §15-1-1, and attorney fees and costs pursuant to 29 U.S.C. §1132(g).

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THIRD CAUSE OF ACTION

**Breach of Fiduciary Duty Under ERISA § 502(a)(3), 29 U.S.C. Section 1132(a)(3)
(against Defendants AETNA HEALTH AND LIFE INSURANCE COMPANY; MAJOR
LEAGUE BASEBALL PLAYERS BENEFIT PLAN)**

54. Plaintiff incorporates all preceding paragraphs of this Complaint as though fully set forth herein.

55. At all material times herein, Defendants, and each of them, were fiduciaries with respect to their exercise of authority over the management of the Policy, disposition of Plan assets, and administration of the Policy.

56. Plaintiff asserts that a claim for benefits due under the Policy does not provide him with an adequate remedy at law in light of Defendants' continuing course of conduct in violating the terms of the Policy and applicable law as described below.

57. ERISA § 404(a)(1)(A), 29 U.S.C. § 1104(a)(1)(A), requires fiduciaries to discharge their duties solely in the interests of employee benefit plan participants and beneficiaries and for the exclusive purpose of providing benefits and defraying reasonable expenses of administering the plan.

58. ERISA § 404(a)(1)(B), 29 U.S.C. § 1104(a)(1)(B), requires fiduciaries to discharge their duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

59. ERISA § 404(a)(1)(D), 29 U.S.C. § 1104(a)(1)(D), requires fiduciaries to discharge their duties in accordance with the documents and instruments governing the plan insofar as such documents and instruments are consistent with the provisions of ERISA.

60. In committing the acts and omissions herein alleged, Defendants breached their fiduciary duties in violation of ERISA §§ 404(a)(1)(A), (B) and (D), 29 U.S.C. §§ 1104(a)(1)(A)(B) and (D).

61. At all material times herein, Defendants, and each of them, have a pattern and practice of violating these duties by, *inter alia*, the following:

- a. Consciously, unreasonably, intentionally, and without justification, violating California's Mental Health Parity Act, Health & Safety Code §1374.7272 and Insurance Code § 10144.5, as well as the Federal Mental Health Parity and

1 Addictions Equity Act of 2008 (“MHPAEA”) which specifically require that
2 health care plans provide medically necessary diagnosis, care and treatment
3 for the treatment of specified mental health illnesses at a level equal to the
4 provision of benefits for physical illnesses;

- 5 b. Consciously, unreasonably, intentionally, and without justification, violating
6 29 C.F.R. § 2560.503-1(f) by failing to provide adverse benefit determinations
7 that are responsive and intelligible to the ordinary reader;
- 8 c. Consciously and unreasonably failing to investigate all bases upon which to
9 pay and honor Plaintiff’s claims, and related claims and/or similar claims, for
10 benefits, and consciously and unreasonably failing to investigate all bases to
11 support coverage fairly and in good faith and refusing to give Plaintiff’s
12 interests or the interests of the Plan at least as much consideration as they gave
13 their own;
- 14 d. Consciously and unreasonably asserting improper bases for denying full
15 payment of Plaintiff’s claims, and related claims and/or similar claims, for
16 mental health care benefits;
- 17 e. Consciously, unreasonably, intentionally, and without justification applying
18 acute criteria to claims for sub-acute treatment;
- 19 f. Consciously and unreasonably interpreting the Plan in a manner designed to
20 deny and minimize benefits and in a manner that thwarts the reasonable
21 expectations of the Plan’s beneficiaries and participants in order to maximize
22 its own profits and minimize the benefits that it pays claimants;
- 23 g. Consciously and unreasonably refusing to pay Plaintiff’s claim, and related
24 claims and/or similar claims, with the knowledge that Plaintiff’s claim and
25 similar claims are payable and with the intent of boosting profits at Plaintiff’s
26 and other claimants’ expense;
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- h. Consciously and unreasonably failing to follow the terms of the Plan and applicable regulations governing the administration of claims, and the review of denied claims; and
- i. Repeatedly and consistently denying mental health claims involving residential treatment facilities improperly and for the financial gain of the Defendants.

62. As a result of Defendants' breaches of fiduciary duty, Plaintiff has been harmed, and the Defendants have been permitted to retain assets and generate earnings on those assets to which Defendants were not entitled.

63. Plaintiff further requests judgment permanently enjoining Defendant Aetna from ever again serving as a fiduciary with respect to the Plan, together with attorneys' fees and cost; and enjoining the Plan from imposing accreditation requirements constitute NQTLs, either as written or as applied, or both. In addition, Plaintiff seeks appropriate equitable relief from all Defendants, and each of them, including an order by this Court that, based upon principles of waiver and/or estoppel, Plaintiff is entitled to benefits in the amount of the cost of A.C.'s treatment at Uinta. In addition, Plaintiff seeks disgorgement of profits, make-whole relief, and that Plaintiff be placed in the position that he would have been in had he been paid the full amount of benefits to which he is entitled, including, without limitation, interest, attorneys' fees and other losses resulting from Defendants' breach.

PRAYER FOR RELIEF

AS TO ALL DEFENDANTS

WHEREFORE, Plaintiff prays that the Court grant the following relief:

64. Declare that Defendants violated the terms of the Plan by failing to provide mental health benefits;

65. Order Defendants to pay the mental health benefits due, together with prejudgment interest on each and every such benefit payment through the date of judgment at the rate of 9% compounded;

66. Award Plaintiff reasonable attorneys' fees and costs of suit incurred herein pursuant to ERISA Section 502(g), 29 U.S.C. Section 1132(g);

67. Provide such other relief as the Court deems equitable and just.

WHEREFORE, Plaintiff prays that the Court grant the following relief as to the SECOND AND THIRD CAUSES OF ACTION:

68. Declare that Defendants, and/or each of them, violated the terms of the Plan by failing to provide mental health benefits;

69. Order that each fiduciary found liable for breaching his/her/its duties to disgorge any profits made through the denial of medically necessary claims through the use of inconsistent care guidelines. This includes, but is not limited to, any violation of ERISA §§ 404 and 406;

70. For appropriate equitable relief pursuant to 29 U.S.C. §§ 1132(a)(2) and (a)(3), including but not limited to, a declaration of Plaintiff's rights to a full and fair review under ERISA, and a declaration of Plan participants' and beneficiaries' rights to a full and fair review;

71. Order Defendants, and/or each of them, to pay the mental health benefits due, together with prejudgment interest on each and every such benefit payment through the date of judgment at the rate of 9% compounded;

72. Award Plaintiff reasonable attorneys' fees and costs of suit incurred herein pursuant to ERISA Section 502(g), 29 U.S.C. Section 1132(g);

73. Order that Defendant cease imposing accreditation requirements constitute NQTLs, either as written or as applied, or both.

74. Order that each fiduciary found liable for breaching his/her/its duties to disgorge any profits made through the denial of medically necessary claims through the use of inconsistent care guidelines. This includes, but is not limited to, any violation of ERISA §§ 404 and 406;

75. Order that Defendants change procedures and processes so that the appeals process becomes fair and equitable for all Plan participants;

76. To the extent the Court remands Plaintiff's claim for benefits to Defendants, Order that Defendants reevaluate Plaintiff's claims in compliance with California's Mental Health Parity Act, Health & Safety Code §1374.72 and Insurance Code § 10144.5, and MHPAEA;

77. For appropriate equitable relief pursuant to 29 U.S.C. §§ 1132(a)(2) and (a)(3), including but not limited to, a declaration of Plaintiff's rights to a full and fair review under ERISA, and a declaration of Plan participants' and beneficiaries' rights to a full and fair review;

78. Removal of Aetna Health and Life Insurance Company as a Plan fiduciary;

79. For surcharge relief;

80. An injunction against further denial of Plaintiff's benefits pursuant to 29 U.S.C. §§ 1132(a)(3);

81. Provide such other relief as the Court deems equitable and just.

Dated: July 28, 2023

Respectfully submitted,

DL LAW GROUP

By: /s/ David M. Lilienstein
David M. Lilienstein
Katie J. Spielman
Attorneys for Plaintiff, CHRIS C.