



American Psychiatric Association v. Anthem Health Plans, 821 F.3d 352 (2nd Cir. 2016)

Topics Covered: Health Plan Coverage, Medical Society Advocacy, Patient Rights

Outcome: Very unfavorable

Issue

The substantive issue in this case was whether Anthem Health Plans, Inc. and its affiliate, WellPoint, Inc. (collectively, “Anthem”) deprived beneficiaries of employee health plans of legally required benefits for mental health and substance abuse claims. The immediate issues on appeal were procedural: whether, in a dispute of this nature, physicians have a right to represent the interests of their patients and whether medical associations also have the right to represent the interests of their members and their members’ patients.

AMA Interest

The AMA believes that physicians are to serve as their patients’ advocates. Furthermore, the AMA supports parity of insurance coverage for mental illness and substance abuse.

Case Summary

The plaintiffs in this case were the American Psychiatric Association, two Connecticut psychiatric societies, and two psychiatrists. They sought to compel Anthem to provide parity of health care and substance abuse benefits with the benefits applicable to physical injuries and illnesses. According to the complaint, Anthem breached a fiduciary duty remediable under the Employee Income Retirement Security Act (ERISA). In addition to ERISA, they invoked the beneficiaries’ plan documents, the Mental Health Parity and Addiction Equity Act, and Connecticut common law.

The trial court dismissed the case without reaching the merits. It held that the case was procedurally insufficient, primarily because

- ERISA fiduciary duty claims can only be brought by a plan beneficiary and not by a third party, even if (as here) the beneficiary assigned her rights to the third party;
- Because the claims of the medical associations derived from the claims of their members and the members’ claims were deficient, the associations could not have standing; and
- The state law claims would have to be filed in state court.

The plaintiffs appealed to the United States Court of Appeals for the Second Circuit.

On June 13, 2016, the Second Circuit held that the plaintiff psychiatrists and medical societies lacked standing to sue and lacked a statutory cause of action under ERISA. The Second Circuit therefore affirmed the district court dismissal of the case.

Litigation Center Involvement

The Litigation Center, through the AMA and the Connecticut State Medical Society, filed an amicus brief on behalf of the plaintiffs. The brief argued that the trial court misconstrued the requirements for standing under ERISA and it would be inequitable to deny the plaintiffs a right to sue on behalf of mental health and substance abuse patients.

United States Court of Appeals for the Second Circuit brief