

NEWS BRIEF

Federal Court Certifies \$150 Million Class-action Lawsuit Involving ACA Insurance Policies

Recently, a federal court in Fort Lauderdale, Florida, certified a nationwide class-action lawsuit seeking damages of more than \$150 million against two health insurance technology companies based in Tampa, Florida.

The lawsuit claims that consumers were misled into believing they were purchasing comprehensive PPO plans from a reputable “A-rated” insurance carrier, but instead received benefit indemnity and medical discount plans. These plans, referred to as “virtually worthless” in the federal court order, generally pale in comparison to plans that are actually compliant with the Affordable Care Act (ACA), often requiring significantly higher costs for care.

The class members’ attorneys say this litigation displays potential pitfalls for people signing up for health care on the ACA’s Health Insurance Marketplace. According to attorney Jason Kellogg, “This case shows that not all health insurance products are major medical insurance, and that scammers can take advantage of folks who are looking for comprehensive health insurance.”

.....

The lawsuit was filed shortly after President Joe Biden issued an executive order aimed to open a special enrollment period on the Marketplace from Feb. 15 through May 15.

.....

What’s Next

The trial is set to take place in July, as a class of over 200,000 members has been certified by U.S. District Court Judge Raag Singhal, who sits in the Southern District of Florida.

JP Griffin Group will keep you updated on any noteworthy health care and employee benefits changes. Contact us today for additional health care resources.



JP Griffin Group

© 2021 Zywave, Inc. All rights reserved.