

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

UNITED STATES, EX REL. DR. SUSAN NEDZA,)	No. 15-cv-6937
Relator,)	
)	
v.)	
)	
AIM SPECIALTY HEALTH, ANTHEM INC.,)	
ANTHEM HEALTH PLANS OF KENTUCKY, INC.,)	
ANTHEM HEALTH PLANS OF MAINE, INC.,)	
ANTHEM HEALTH PLANS OF NEW HAMPSHIRE,)	JUDGE JORGE L. ALONSO
INC., ANTHEM INSURANCE COMPANIES, INC.,)	
BLUE CROSS OF CALIFORNIA, BLUE CROSS AND)	
BLUE SHIELD OF GEORGIA, INC., BLUE CROSS)	
OF IDAHO CARE PLUS, INC., BLUE CROSS BLUE)	
SHIELD OF MICHIGAN MUTUAL INSURANCE)	
COMPANY, BLUE CROSS AND BLUE SHIELD OF)	
NORTH CAROLINA, CAMBIA HEALTH)	
SOLUTIONS, INC., CAREMORE HEALTH PLAN OF)	
NEVADA, EMPIRE HEALTHCHOICE ASSURANCE,)	
INC.,)	
HEALTH FIRST HEALTH PLANS, INC.,)	RELATOR'S INITIAL STATUS
HEALTHKEEPERS, INC., MODA HEALTH PLAN,)	REPORT
INC., PRIORITY HEALTH, PROVIDENCE HEALTH)	
& SERVICES-OREGON, REGENCE BLUECROSS)	
BLUESHIELD OF OREGON, REGENCE BLUECROSS)	
BLUESHIELD OF UTAH, REGENCE BLUESHIELD,)	
AND REGENCE BLUE SHIELD OF IDAHO.)	
)	
Defendants.)	

RELATOR'S INITIAL STATUS REPORT

Relator Dr. Susan Nedza, submits this initial status report as follows:

I. Nature of the Case

A. Federal jurisdiction is provided by 28 U.S.C. § 1331 for these claims brought under the Federal False Claims Act, 31 U.S.C. § 3732. Jurisdiction is also proper under 28 U.S.C. § 1345 because the United States is a plaintiff.

B. This is a civil action by the United States, through Relator-Plaintiff Dr. Susan Nedza, to recover treble damages and civil penalties arising from the longstanding, systematic and intentional practice of filing false certifications and claims for and receipts of payments under Medicare Advantage Program in violation of the False Claims Act, 31 U.S.C. §§ 3729-3733, by Defendants AIM Specialty Health, its parent company, Anthem Inc., as well as AIM's clients, the Defendant Insurance Plans.

Defendant Insurance Plans contracted with the government to provide insurance to Medicare beneficiaries under the Medicare Advantage program. As a condition of the Medicare Advantage program, Defendants certified that they would provide the same coverage to Medicare beneficiaries as they would receive if beneficiaries were direct Medicare participants.

The complaint alleges that, instead, the Defendant Insurance Plans intentionally and fraudulently refused to cover medical procedures that should have been approved under Medicare rules. The Insurance Companies did so by contracting with AIM for its Utilization Management review process to assess and

deny requests for pre-authorization of medical procedures—particularly advanced diagnostic imaging procedures—in violation of Medicare’s rules. The insurance companies then fraudulently certified compliance with Medicare rules, to secure billions of dollars of Medicare premiums, knowing that AIM’s determinations on their behalf were not in compliance with Medicare rules.

As a result, the government paid for coverage the Medicare beneficiaries did not receive. The Medicare beneficiaries received less medical care than they were legally entitled to. The beneficiaries suffered delay and denial of medical procedures, increased financial costs, inferior medical care, and in many instances, physical and mental suffering. All the while, AIM, its client Insurance Plans, and the parent company Anthem, enjoyed excess profits.

C. Relator seeks triple damages, civil penalties, interest, and attorneys’ fees and litigation costs.

D. Plaintiff demands a jury trial.

E. Defendants have not yet been served.

II. Discovery and Pending Motions

A. There are no pending motions.

B. A discovery and case management plan will be submitted upon completion of the Rule 26(f) conference.

III. Settlement and Referrals

- A. The parties have not yet had settlement discussions.
- B. At this time, the parties do not request a settlement conference with the magistrate.
- C. Counsel for relator has informed relator about the possibility of proceeding before a magistrate.

Dated: December 4, 2017

By: Matthew J. Piers

One of the Attorneys for
Relator-Plaintiff
Dr. Susan Nedza

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CERTIFICATE OF SERVICE

I, Matthew J. Piers, hereby certify that a copy of the foregoing **RELATOR'S INITIAL STATUS REPORT** to be served upon all counsel of record via e-mail through the Court's ECF notification system on December 4, 2017.

/s/ Matthew J. Piers