

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF CONNECTICUT**

GUARDIAN FLIGHT LLC,
REACH AIR MEDICAL SERVICES LLC,
CALSTAR AIR MEDICAL SERVICES, LLC,
MED-TRANS CORPORATION,
AIR EVAC EMS, INC., and
AIRMED INTERNATIONAL LLC

Plaintiff,

v.
AETNA LIFE INSURANCE COMPANY,
AETNA HEALTH, INC., AETNA HEALTH
AND LIFE INSURANCE COMPANY, and
CIGNA HEALTH AND LIFE INSURANCE
COMPANY,

Defendants.

CIVIL ACTION NO. 3:24-cv-00680-MPS

ANSWER AND AFFIRMATIVE DEFENSES

Defendant Cigna Health and Life Insurance Company (“Cigna”), by and through its undersigned counsel, answers the Consolidated Second Amended Complaint (“2AC”) of Plaintiffs as follows¹. Paragraph numbers correspond to those in the 2AC. Unless expressly admitted, all allegations are denied.

I. ANSWER TO SPECIFIC ALLEGATIONS

INTRODUCTION

1. Denied. Cigna denies that it is violating the No Surprises Act (“NSA”) or engaging in unfair or deceptive trade practices. Cigna denies the existence of any “scheme” to deny, delay, or underpay out-of-network providers, and denies the characterization of its conduct as “low pay,

¹ Cigna contends that the Court’s May 14, 2025 Order on the Motions to Dismiss has disposed of Plaintiffs’ claims to the extent they attempt to allege liability based on the amount of initial payments (including any conduct during the open negotiation period) and to the extent they seek equitable relief under ERISA § 502(a)(3). Any pleading or response by Cigna to allegations in the Second Amended Complaint (2AC) that tend to support such disposed-of claims is made solely out of an abundance of caution and does not constitute a waiver of, or otherwise affect, the dispositive effect of the Court’s order as to those claims.

late pay or no pay.” Cigna admits that the NSA establishes an IDR process for certain out-of-network claims and that it is subject to the NSA, but denies all remaining allegations.

2. Denied. Cigna denies that it has late-paid or not paid over \$20,000,000 in IDR awards, denies that it is ignoring federal or state law, and denies that it must be “held accountable” as alleged.

PARTIES

3. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, ownership, and principal place of business of Plaintiff REACH Air Medical Services LLC and therefore denies the same.

4. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, ownership, and principal place of business of Plaintiff CALSTAR Air Medical Services, LLC and therefore denies the same.

5. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, ownership, and principal place of business of Plaintiff Guardian Flight, LLC and therefore denies the same.

6. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status and principal place of business of Plaintiff Med-Trans Corporation and therefore denies the same.

7. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status and principal place of business of Plaintiff Air Evac EMS, Inc. and therefore denies the same.

8. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, ownership, and principal place of business of Plaintiff AirMed International, LLC and therefore denies the same.

9. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, principal place of business, and licensure of Defendant Aetna Health, Inc. and therefore denies the same.

10. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, principal place of business, and licensure of Defendant Aetna Life Insurance Company and therefore denies the same.

11. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the corporate status, principal place of business, and licensure of Defendant Aetna Health and Life Insurance Company and therefore denies the same.

12. Admitted that Cigna Health and Life Insurance Company is a Connecticut company with its principal place of business in Connecticut and that it provides insurance and benefit administration services in various states. All remaining allegations are denied.

JURISDICTION AND VENUE

13. Admitted that this Court has subject matter jurisdiction and that venue is proper for purposes of this action only, and is without waiver of defenses which if proven would deprive the Court of subject matter jurisdiction. All remaining allegations are denied.

14. Admitted that Cigna is a resident of this district for purposes of this action only. All remaining allegations are denied.

FACTUAL BACKGROUND

15. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the role of the air ambulance industry and the number of Americans who would be unable to reach a trauma center without air ambulances, and therefore denies the same.

16. Admitted that the NSA became effective January 1, 2022, and that it is implemented and enforced by the U.S. Departments of Labor, Health and Human Services, and the Treasury, and that it establishes a federal dispute resolution process for certain out-of-network emergency air ambulance transports. All remaining allegations are denied.

17. Admitted that the NSA generally requires health plans and insurers to pay or deny certain claims which meet highly specified eligibility and other criteria within 30 days of receipt and allows for an open negotiation period and, if unsuccessful, the initiation of the IDR process. All remaining allegations are denied.

18. Admitted that the IDR process requires both parties to submit position statements and proposed offers to a third-party IDR entity, which then selects one offer as the appropriate out-of-network payment. All remaining allegations are denied.

19. Cigna admits that Plaintiffs have submitted claims for air ambulance transports and that some of those claims have been subject to the IDR process. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the specifics of each transport, the nature of the health plans, or the outcome of each IDR proceeding, and therefore denies the same.

20. Cigna admits that it administers and/or insures certain health plans and that it receives claims for air ambulance transports. Cigna denies that it made “unreasonable” initial payments or that such payments were “well below” the amount ultimately awarded in IDR in all cases. All remaining allegations are denied.

21. Denied. Cigna denies that it makes low initial payments “hoping” that providers will not pursue IDR or will miss deadlines, or that it forces Plaintiffs to go through the IDR process on every transport. Cigna denies that IDR entities on average have determined that the appropriate price is nearly 150% more than what Cigna initially pays.

22. Denied. Cigna denies that it unreasonably delays, partially pays, or fails to pay IDR awards, or that several awards are more than 500 days past due. Cigna denies that it fails to include interest on late payments where required.

23. Denied. Cigna denies that it fails to invest in compliance systems or personnel, or that it profits from non-compliance. Cigna denies that it delays or denies payment to earn interest or investment income, or to keep claims costs low for competitive purposes.

24. Denied. Cigna denies that it has a practice or policy of failing to timely pay IDR awards, or that such conduct is a widespread business practice. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding other providers and therefore denies the same.

25. Denied. Cigna denies that it engaged in or continues any unfair practice of low payments followed by late, partial, or no payment of IDR awards. Cigna denies that Plaintiffs are entitled to the relief sought.

26. Cigna admits that Plaintiffs have attached a chart as Exhibit B to the 2AC purporting to list IDR awards against Cigna that were paid late or remain unpaid. Cigna denies the accuracy and completeness of the chart and denies any liability for the claims listed therein².

² Plaintiffs continue to supplement and update their disclosure of damages, creating a ‘moving target’ for Defendants; Cigna expressly reserves all rights to challenge the accuracy, completeness, propriety and admissibility of any such disclosures, and to assert all applicable defenses in response to any claims for damages as may be further disclosed or amended by Plaintiffs.

COUNT ONE (NSA ENFORCEMENT)

27. Cigna incorporates its responses to Paragraphs 1–26 as if fully set forth herein.

28. Admitted that the NSA provides that IDR determinations are binding and that payment is to be made within 30 days for clean and otherwise eligible claims for which all necessary information to adjust the claims is provided. Denied that more than 30 days have passed since receipt by Cigna of IDR determinations at issue, that Cigna received all IDR determination at issue, or that Cigna failed to pay timely or at all. Denied that Plaintiffs are entitled to enforcement of the IDR awards.

29. Denied. Cigna denies that Plaintiffs are entitled to confirmation of IDR awards under the Federal Arbitration Act or any other law.

30. Denied. Cigna denies that Plaintiffs are entitled to enforcement of IDR determinations, or to any amounts for unpaid, partially paid, or late-paid awards, or to interest, or to any other relief.

COUNT TWO (ERISA ENFORCEMENT)

31. Cigna incorporates its responses to Paragraphs 1–30 as if fully set forth herein.

32. Cigna admits that self-funded employer health plans are governed by ERISA and that Plaintiffs may have received assignments of benefits in some cases. Cigna denies that Plaintiffs are entitled to enforce the NSA or to payment of IDR awards under ERISA in all cases. All allegations not specifically admitted are denied.

33. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding the interests of patients in rural areas and therefore denies the same.

34. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding Plaintiffs' staffing, operations, or the closure of air ambulance bases, and therefore denies the same.

35. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding Envision or its experiences under the NSA, and therefore denies the same.

36. Cigna admits that 29 U.S.C. § 1132(a)(3) provides for civil enforcement of ERISA. Cigna denies that Plaintiffs are entitled to enforce the NSA's requirements under ERISA in these or other cases or to the relief sought.

37. Denied. Cigna denies that payment of IDR awards is a benefit under all ERISA plans as a matter of law, or that it improperly denied benefits or violated ERISA by failing to pay IDR awards within 30 days. Cigna denies that its actions were arbitrary, capricious, or an abuse of discretion.

38. Denied. Cigna denies that it denied payment or benefits upon the finality of IDR determinations without substantial justification, or that its actions were arbitrary, capricious, or wrongful.

39. Denied. Cigna denies that Plaintiffs are entitled to relief under 29 U.S.C. §§ 1332(a)(1)(B) or 1332(a)(3), or to any equitable relief, interest, attorneys' fees, or costs.

COUNT THREE (CUTPA ENFORCEMENT)

40. Cigna incorporates its responses to Paragraphs 1–39 as if fully set forth herein.

41. Cigna lacks knowledge or information sufficient to form a belief as to the truth of the allegations regarding Plaintiffs' status as "persons" under Connecticut law and therefore denies the same. Cigna admits that it is engaged in trade and commerce as defined by Connecticut law.

42. Denied. Cigna denies that it has used or employed unfair methods of competition or unfair or deceptive acts or practices, including making low initial payments, failing to pay IDR awards within 30 days, failing to include interest on late payments, or failing to invest in compliance programs, systems, or personnel.

43. Denied. Cigna denies that its acts or practices offend public policy, are unethical, oppressive, or unscrupulous, or violate public policy embodied by ERISA or the NSA.

44. Denied. Cigna denies that it has engaged in unfair settlement practices in violation of Conn. Gen. Stat. § 38a-816(6)(F), or that it has failed to attempt in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear. Cigna denies that its conduct has occurred with such frequency as to constitute a regular business practice.

45. Denied. Cigna denies that Plaintiffs have suffered substantial injury or ascertainable loss as a result of Cigna's acts or practices, or that they are entitled to damages, attorneys' fees, punitive damages, or any other relief.

PRAYER FOR RELIEF

Cigna denies that Plaintiffs are entitled to any of the relief requested in the Prayer for Relief, including enforcement of IDR awards, interest, attorneys' fees, punitive damages, equitable relief, or any other relief.

EXHIBITS

Cigna admits that Exhibit B to the 2AC purports to list Cigna IDR awards, but denies the accuracy, completeness, and purported legal effect of the exhibit and denies any liability for the claims listed therein.

AFFIRMATIVE DEFENSES

Without assuming the burden of proof where it does not otherwise exist, Cigna asserts the following affirmative defenses:

1. FAILURE TO STATE A CLAIM

Cigna asserts that Plaintiffs' claims fail to state a claim upon which relief can be granted to the extent they are based on conduct not prohibited by the NSA, ERISA, or CUTPA, or seek remedies not authorized by law.

2. COMPLIANCE WITH LAW

Cigna has complied in good faith with all applicable federal and state laws, regulations, and contractual obligations, including the NSA, ERISA, and state insurance laws.

3. CLAIMS NOT CIGNA'S RESPONSIBILITY

Many claims identified as "unpaid" or "late paid" are not Cigna-administered, are not Cigna's financial responsibility, or are ineligible for the federal IDR process due to Medicare, Medicaid, or state law preemption.

4. ADMINISTRATIVE AND ELIGIBILITY DENIALS

Some claims were denied for or otherwise not paid for valid administrative and/or eligibility reasons, including benefit exhaustion, non-covered services, duplicate claims, coordination of benefits, closure of banking or member ineligibility, and thus no payment is due regardless of the IDR outcome.

5. PREEMPTION OF STATE LAW CLAIMS BY ERISA

Cigna asserts that ERISA expressly preempts state law claims that "relate to" employee benefit plans, including any claims under CUTPA or other state statutes that seek to enforce, supplement, or alter rights or obligations under ERISA-governed plans. To the extent Plaintiffs'

claims arise from or relate to the denial of benefits under ERISA plans, they are preempted and must be dismissed.

6. COMPLIANCE WITH ERISA PLAN TERMS AND FEDERAL LAW

Cigna asserts that it has complied with the terms of all applicable ERISA plans and with the requirements of the NSA as incorporated into those plans. Any alleged delays or non-payments were due to administrative issues, claim ineligibility, or other good faith reasons, not a violation of ERISA or the plan. Cigna's internal records and discovery responses show individualized, legitimate reasons for each claim, including administrative denials, eligibility issues, and overpayments (Cigna's Supplemental Discovery Response, June 2, 2025).

7. LACK OF STANDING OR PRIVITY

Cigna asserts that Plaintiffs lack standing to bring ERISA claims for certain plans or claims where they do not have a valid assignment of rights from the plan participant or beneficiary, or where the claim is not administered or financially the responsibility of Cigna. Plaintiffs' standing is limited to claims for which they have a valid assignment and for which Cigna is the proper party (Order on Motion to Dismiss, May 14, 2025; Cigna's Supplemental Discovery Response, June 2, 2025).

8. ADEQUATE REMEDY AT LAW PRECLUDES EQUITABLE RELIEF

Cigna asserts that under ERISA, equitable relief (such as injunctions or prospective orders) is not available where an adequate remedy at law exists. Because Plaintiffs seek monetary compensation for unpaid or late-paid IDR awards, which is an adequate remedy at law, their claims for equitable relief are barred (Order on Motion to Dismiss, May 14, 2025).

9. NO LIABILITY FOR NON-CIGNA ADMINISTERED OR INELIGIBLE CLAIMS

Cigna asserts that it is not liable for claims that are not administered by Cigna, are not its financial responsibility, or are ineligible for payment under the NSA or ERISA (e.g., claims

subject to Medicare, Medicaid, or state law that supersedes the NSA). Cigna's records and the parties' agreed spreadsheets identify such claims (Cigna's Supplemental Discovery Response, June 2, 2025).

10. NO GENERAL BUSINESS PRACTICE

Any alleged delays or errors in payment were isolated, the result of process complexity or human error, and do not constitute a "general business practice" as required under CUIPA/CUTPA. Cigna asserts that plaintiffs have failed to demonstrate that any alleged unfair practice constitutes a "general business practice" as required under CUIPA and, by extension, CUTPA. Connecticut law requires more than isolated or sporadic incidents when viewed in the context of the overall scope of NSA-eligible claims handled by Cigna.

11. LACK OF UNETHICAL OR AGGRAVATING CONDUCT

Cigna affirmatively alleges that any alleged failure to pay, delay in payment, or administrative error in processing IDR awards does not rise to the level of unethical, unscrupulous, willful, or reckless conduct required to establish a violation of CUTPA. Connecticut law is clear that more than mere negligence or breach of contract is required. *See Naples v. Keystone Building and Development Corp.*, 295 Conn. 214, 229 (2010)).

12. NO ASCERTAINABLE LOSS

Cigna asserts that plaintiffs have not suffered an ascertainable loss of money or property as a result of any alleged unfair or deceptive act, as required for a private right of action under CUTPA, in that payments that may have been due and owing were ultimately made, and any delays did not result in actual damages to plaintiffs

13. FAILURE TO MITIGATE

Cigna asserts that Plaintiffs have failed to mitigate their damages, if any, by failing to provide timely notice of unpaid awards, failing to provide necessary information, or otherwise failing to take reasonable steps to minimize their alleged losses.

14. SETOFF AND RECOUPMENT

Cigna asserts a right to setoff or recoupment for any overpayments, duplicate payments, or amounts owed by Plaintiffs to Cigna, as reflected in the parties' claim reconciliation spreadsheets and supporting documentation.

15. UNCLEAN HANDS

Plaintiffs' own conduct, including administrative errors and aggressive pursuit of IDR claims, contributed to any alleged delays or damages.

16. NO ENTITLEMENT TO PUNITIVE DAMAGES

Plaintiffs are not entitled to punitive damages because there is no evidence of reckless indifference, intentional misconduct, or aggravating circumstances as required by Connecticut law.

17. NO PRIVATE RIGHT OF ACTION (AS TO CERTAIN CLAIMS)

To the extent the NSA or other statutes do not provide a private right of action for the relief sought, Plaintiffs' claims are barred.

18. INTEREST NOT OWED ON ASO CLAIMS AND/OR WHERE NOT REQUIRED BY THE NSA AND/OR STATE LAW

Cigna is not required to pay late payment interest on any claim under the provisions of the No Surprises Act, and/or for Administrative Services Only (ASO) claims and/or where state law does not require payment of late payment interest.

RESERVATION OF THE RIGHT TO SUPPLEMENT

Cigna reserves the right to assert any and all additional affirmative defenses as may become apparent through discovery or further proceedings. The above defenses are supported by Connecticut law, federal law, and the factual record developed to date, including Cigna's internal documentation, deposition testimony, and discovery responses.

Respectfully submitted,
Attorneys for Defendant CIGNA HEALTH
AND LIFE INSURANCE COMPANY
By: Its Attorneys

/s/ Ruel W. Smith

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Dated: June 11, 2025

CERTIFICATE OF SERVICE

I, Ruel W. Smith, hereby certify that the documents filed through the ECF system will be sent electronically to the registered participants as identified on the Notice of Electronic Filing (NEF) on June 11, 2025.

/s/ Ruel W. Smith

Ruel W. Smith