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PRESS RELEASE

Lawsuit Alleges Widespread Elevance Health Nonpayment of Binding Federal Arbitration Awards in Violation of the No Surprises Act; Claims Plan Fiduciaries Failed to Oversee Compliance

On August 17, 2026, PHI Health, LLC filed suit against affiliates of Elevance Health, Inc. (aka Anthem) and numerous employer-sponsored health plans, and related plan fiduciaries that engaged Elevance as their third-party administrator, alleging that Elevance has engaged in a widespread and systematic practice of failing to timely pay, or failing to pay at all, more than 1,000 binding federal arbitration awards issued under the No Surprises Act, representing approximately $28 million allegedly owed to PHI nationwide, in violation of federal law. The complaint further alleges that plan fiduciaries knew or should have known of Elevance's alleged nonpayment practices and failed to take reasonable steps to oversee Elevance's compliance with federal law.

AT A GLANCE	
Kentucky action	Approximately $2.1 million
Nationwide allegations	1,000+ IDR awards | Approximately $28 million
Central issues	Timely payment under the NSA | ERISA fiduciary oversight

BACKGROUND: HOW THE NO SURPRISES ACT'S INDEPENDENT DISPUTE RESOLUTION PROCESS WORKS

Congress enacted the No Surprises Act to protect patients from unexpected medical bills while establishing a federal process for resolving payment disputes between healthcare providers and commercial health plans that keeps patients "out of the middle." Under that process, known as Independent Dispute Resolution ("IDR"), a certified neutral arbitrator reviews offers submitted by both the provider and the health plan or issuer and selects the appropriate payment amount owed. The resulting determination is **binding** on the parties, and federal law requires payment to be made within 30 days of issuance absent a timely vacatur challenge to the award.

HOW THE FEDERAL IDR PROCESS WORKS

1	2	3	4	5
Emergency Service	Open negotiation	Federal IDR	**Binding** award	Payment due in 30 days

COMPLAINT ALLEGES ELEVANCE'S NONPAYMENT EXTENDS FAR BEYOND KENTUCKY

Through the Kentucky action, PHI seeks approximately $2.1 million, together with applicable interest and other relief, related to allegedly unpaid arbitration determinations. **PHI contends, however, that the Kentucky dispute is merely one example of a much broader nationwide pattern.** In addition to the Kentucky claims, PHI alleges that Elevance Health and its Elevance subsidiaries have failed to timely pay, or failed to pay altogether, more than 1,000 binding No Surprises Act arbitration determinations issued in PHI's favor, representing approximately $28 million allegedly owed across multiple states. PHI further alleges that Elevance's conduct is not limited to isolated administrative oversights or claim-processing errors but instead reflects a widespread and systematic practice of delayed payment and nonpayment of binding federal arbitration awards. According to PHI, the volume, geographic scope, and persistence of these alleged practices demonstrate a systemic issue that extends well beyond the awards at issue in Kentucky.

PLAN FIDUCIARIES ALLEGEDLY KNEW OR SHOULD HAVE KNOWN OF ELEVANCE'S ALLEGED NON-COMPLIANCE WITH FEDERAL LAW

The Kentucky complaint does not focus solely on Elevance's alleged nonpayment practices. It also raises questions regarding whether the employer-sponsored health plans and related plan fiduciaries that retained Elevance to administer employee health benefits acted prudently in selecting, monitoring, and overseeing Elevance as the third-party administrator responsible for processing and paying claims on behalf of their health plans. The lawsuit alleges

that these fiduciaries knew, or reasonably should have known, of Elevance's alleged nonpayment practices yet failed to take appropriate action to ensure compliance with federal law.

To support those allegations, the complaint asserts that plan fiduciaries had access to multiple sources of information concerning Elevance's alleged nonpayment of No Surprises Act arbitration awards, including:

- Unpaid awards involving their own health plans;
- Numerous lawsuits filed by healthcare providers seeking enforcement of unpaid IDR determinations;
- Regulatory guidance addressing the obligation to timely pay binding IDR determinations;
- Judicial decisions recognizing the enforceability of binding arbitration awards; and
- Public reporting concerning Elevance's alleged nonpayment practices.

The complaint further identifies more than twenty provider lawsuits filed against Elevance-affiliated entities since 2024 seeking enforcement of allegedly unpaid No Surprises Act arbitration awards and cites multiple judicial decisions and publicly available reports discussing Elevance's alleged conduct. According to the complaint, these sources collectively provided sufficient notice to require prudent fiduciaries to investigate, monitor, and address Elevance's ongoing administration of No Surprises Act claims on their behalf.

The lawsuit therefore asks the Court to determine whether the plans and fiduciaries named as defendants satisfied their obligations under ERISA to appropriately oversee the administration of employee health benefits and ensure compliance with applicable federal law.

WHY THIS LAWSUIT MATTERS IN KENTUCKY

PHI is an integral part of Kentucky's emergency healthcare system, operating air medical bases around the clock year-round and working closely with hospitals, physicians, and EMS agencies to connect critically ill and injured patients with higher levels of care.

PHI's Kentucky operations provide specialized transport programs, including a longstanding relationship with UK HealthCare for emergency neonatal and pediatric air medical services. These specialty-care transports connect critically ill and injured patients with hospitals, such as the Makenna David Pediatric Emergency Center at UK HealthCare, that provide advanced treatment to critically injured and ill children unavailable in their local communities, including premature infants requiring neonatal intensive care, newborns with congenital abnormalities, and children suffering severe trauma or respiratory failure requiring rapid transfer to regional specialty-care centers coupled with advanced in-transport care. These missions can be lifesaving when specialized neonatal, pediatric, trauma, cardiac, or neurological care is needed.

For many Kentucky communities, particularly in rural areas, air medical transportation helps ensure that access to lifesaving specialty care is determined by a patient's medical needs rather than where they live. However, sustained nonpayment for emergency services places increasing pressure on providers responsible for maintaining these critical healthcare resources across the Commonwealth. If insurers can unilaterally disregard binding federal payment determinations and withhold payment for Kentucky emergency services without consequence, they threaten the very fabric of the healthcare infrastructure that connects critically ill newborns, injured children, stroke victims, cardiac patients, and other Kentuckians experiencing medical emergencies to specialized care when every minute matters.

WHY THIS LAWSUIT MATTERS BEYOND KENTUCKY

The scale and geographic reach of the alleged systemic nationwide nonpayment pattern described above have implications extending far beyond PHI and the Kentucky lawsuit. In markets where Elevance and its subsidiaries, which are exclusive licensees of the Blue Cross and Blue Shield brands across 14 states, are significant commercial payers, PHI alleges that it has received little or no payment on substantial numbers of finalized awards, placing growing pressure on the emergency healthcare resources those communities rely upon, and placing PHI's operations in those states in the red. If Elevance and its subsidiaries are similarly withholding payment from other emergency healthcare providers, as alleged in more than 20 lawsuits filed nationwide, the resulting harm could extend well beyond any individual provider and fundamentally undermine both emergency healthcare networks and Congress's purpose in establishing the No Surprises Act.

But the complaint also raises a broader issue than whether Elevance is paying providers; whether Elevance's alleged systemic nonpayment practices are placing its own employer-sponsored plan clients and their fiduciaries in jeopardy.

The lawsuit alleges that Elevance may be shifting increased legal risk and litigation costs to the health plans it serves by disregarding binding federal payment obligations on their behalf. If confirmed, Elevance's alleged continuing campaign to withhold payment contrary to federal law may expose those plans and fiduciaries to ERISA claims while simultaneously jeopardizing the emergency healthcare networks serving their employees, families, and other beneficiaries in times of need.

In other words, if Elevance can disregard binding federal payment determinations without consequence, it may bring its employer-plan clients down with it, exposing them to fiduciary liability while undermining the emergency healthcare infrastructure on which their own members and beneficiaries depend.

Elevance, the employer-sponsored health plans, and the fiduciaries named as defendants have not yet responded to the complaint, and the allegations remain subject to judicial determination.

ABOUT WICK PHILLIPS

Wick Phillips represents PHI throughout the country in litigation involving the No Surprises Act. Wick Phillips is a full-service business law firm serving clients across Texas and the United States. Founded in 2004, the firm has grown to over 110 attorneys, specializing in all areas of business law—complex commercial litigation and appeals, corporate transactions, banking and finance, labor and employment, real estate, bankruptcy, insurance coverage, tax, and securities—with offices in Dallas, Fort Worth, and Austin.