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Corizon Health Sued for Allegedly Defaulting on \$12M in Hospital Claims

A suit filed by The Curators of the University of Missouri and Capital Region Medical Center (collectively, the Hospital) was removed to Missouri federal court on Monday by defendants Corizon Health, Inc. and Corizon, LLC (collectively, Corizon). The suit alleges that Corizon has over \$12 million in overdue claims with the hospital, constituting a breach of the existing contract between the two parties. In late 2016, the state court complaint says, the plaintiffs entered into an agreement with Corizon specifying the hospital would provide health care services to patients in exchange for compensation from Corizon. Corizon agreed that they would reimburse the plaintiffs for any health care services they administered to patients who were brought to the hospital by the direction of Corizon. The hospital was then responsible for sending completed claims to a specified Corizon address within 120 days of the service in order to be reimbursed. Further, the hospital had to use up-to-date procedural codes on their reimbursement forms. Corizon then had to pay the claim within 60 days. The agreement notes that if a payment is not made on time, an interest charge of 1% of the claim per month will be added to the total claim. The complaint explains that the hospital provided health care services to patients and "submitted completed claims to Corizon Health on approved hospital billing forms within one hundred and twenty days of the date of service rendered to patients." However, beginning in 2020, the plaintiffs claim that the defendants failed to pay the hospital for all of the completed claims they submitted. The hospital notified Corizon of the overdue payments, and they responded by affirming that they would pay the outstanding completed claims along with the 1% interest rate per month. Despite the reassurances from the defendants, the plaintiffs contend that Corizon still has not paid their outstanding completed claims, which total \$12,000,000.00 in addition to the aforementioned 1% interest rate. The complaint mentions that the defendants have since admitted to the hospital that they are in default in regard to the overdue claims. The complaint cites breach of contract and breach of covenant of good faith and fair dealing. The plaintiffs are seeking favorable judgment on each count against Corizon Health, damages, pre- and post-judgment interest, litigation fees, a trial by jury, and any other relief deemed just by the Court. The plaintiffs are represented by Stueve Siegel Hanson LLP.