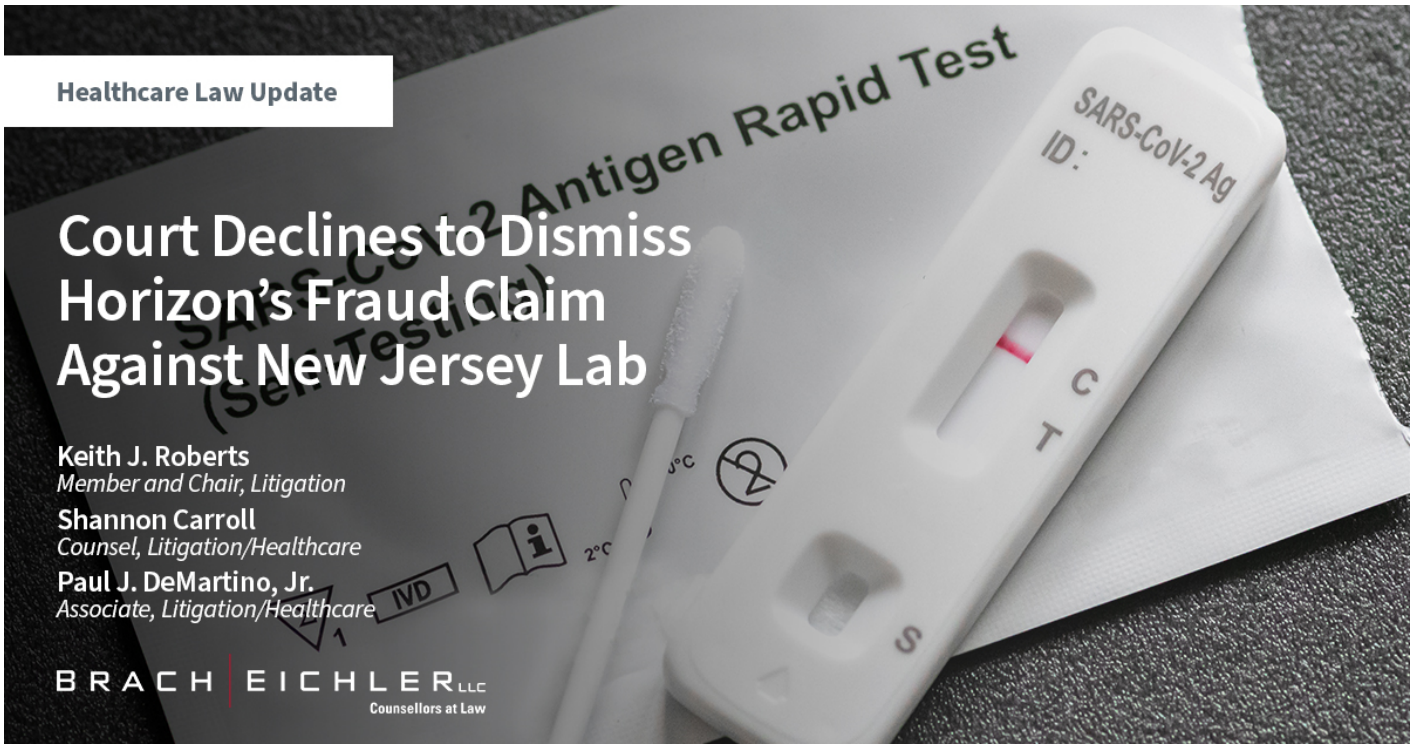
Court Declines to Dismiss Horizon's Fraud Claim Against New Jersey Lab



A federal court in New Jersey recently dismissed a motion filed by a clinical laboratory that is suing Horizon Blue Cross Blue Shield of New Jersey (Horizon) to dismiss Horizon's insurance fraud claim against the clinical laboratory. The clinical laboratory, Open MRI and Imaging of RP Vestibular Diagnostics, filed suit against Horizon in May of 2021 claiming Horizon failed to pay insurance claims filed by the clinical laboratory for COVID-19 rapid testing. Horizon filed a counterclaim against the clinical laboratory and its owners, alleging that the owners of the laboratory engaged in a scheme set up to defraud Horizon.

In its counterclaim, Horizon asserted that the lab and its owners were not authorized to administer COVID-19 rapid tests, billed for services that were not rendered, created a new entity to submit backdated claims, and have an unlawful corporate structure because a non-physician was an owner of the lab. The Court denied the clinical laboratory's motion to dismiss, finding that Horizon adequately pleaded the details supporting its allegations of the fraudulent scheme related to the COVID-19 testing.

Click here to read the entire October 2022 Healthcare Law Update

For more information, contact:
Keith J. Roberts | 973.364.5201 | kroberts@bracheichler.com
Shannon Carroll | 973.403.3126 | scarroll@bracheichler.com
Paul DeMartino, Jr. | 973.364.5228 | pdemartino@bracheichler.com