

Plan's Failure To Notify Participant Of Deadline To File Suit Left Limitations Period Unenforceable

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A federal district court in Utah recently held that a health plan's 180-day limitations period for filing suit following a claim denial on appeal was unenforceable because the plan's final adverse benefit determination letter failed to disclose that deadline to the claimant.

While the court upheld the denial on other grounds, this case serves as a reminder of how important it is to notify claimants of any plan limitation on challenging a denial in court. Claim appeal regulations that took effect earlier this year go a step further and require (in the case of a plan providing disability benefits) that a plan must notify claimants of not only the limitations period, but also the actual date by which a suit must be filed.

Failure to notify claimants of the limitations period and the date by which a lawsuit must be filed may render any such limitations period unenforceable and subject a plan to the applicable state statute of limitations on contract cases, which, in Illinois, is generally 10 years.

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