



FOR RELEASE FEB. 22, 2022

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NEWS RELEASE

Class Action Lawsuit Filed Against Vidant Health For Surprise Overbilling and Debt Collection Practices

Vidant Health has deceptively hidden its prices in order to overbill patients thousands of dollars for common procedures like CT scans and then deployed aggressive and illegal debt collection tactics, a new federal class action lawsuit alleges. The complaint alleges that Vidant has been able to extract unreasonable prices from Eastern North Carolina residents through the use of “surprise billing,” a widely criticized predatory practice that directly contributes to the high level of medical bankruptcies. Residents are forced to incur these practices because Vidant is the monopoly hospital system for much of Eastern North Carolina.

According to the complaint, in 2018, George Cansler visited the Vidant Chowan Hospital emergency room for extreme pain from what was likely a kidney stone. More than a year after his visit, Cansler finally received an itemized bill from Vidant demanding he pay \$3,119 for a CT scan even after his insurance had already paid \$456. The Medicare rate for a CT scan at the time was about \$300, meaning that Vidant was demanding to receive more than 11 times the rate of Medicare from Cansler and his insurance company.

The complaint alleges that Cansler had not been told of the price beforehand and that Vidant executives later told Cansler, falsely, that it was a “violation of federal law” for them to disclose prices to patients before care.

The complaint alleges that Vidant and FirstPoint Collection Resources, a debt collection company Vidant uses, routinely engage in aggressive and illegal tactics to collect on surprise bills that should never have been issued in the first place. The case asks Vidant to reimburse Eastern North Carolina residents who were overbilled and to halt these deceptive surprise billing and debt collection practices.

The attorneys for Cansler and the proposed class are Fairmark Partners LLP of Washington, DC, Wallace & Graham, PA of Sailsbury, NC, and Professor Barak Richman of Durham, NC. The case was filed in US District Court for the Eastern District of North Carolina.

“Surprise billing is a widely criticized, predatory practice and it is especially harmful when one hospital system is the monopoly provider in a region because patients have no alternatives for care,” said Jamie Crooks of the law firm Fairmark Partners, LLP. “This complaint alleges that Vidant has abused its monopoly by sending surprise bills demanding unreasonable prices for common procedures.” Professor Richman, [in a 2017 article](#), wrote that billing practices like these “inflict serious financial harm to the most vulnerable while undercutting the functioning of healthcare markets and the creation of valuable insurance products.”

“North Carolina has some of the highest healthcare costs in the country. We believe conduct like this is one reason why,” said Mona Lisa Wallace of the law firm of Wallace and Graham.

The complaint is available here: <https://bit.ly/3uZz9dF>