UnitedHealth nH Predict post-acute care lawsuit

IMPLEMENTED 2019–2026 · HEALTH AND LIFE SCIENCES · UNITED STATES · BAND F · PARTLY PROVED

VERSION 1.0 · PUBLISHED 17 NOVEMBER 2026 · UPDATED 17 NOVEMBER 2026 · FACTS CHECKED 17 NOVEMBER 2026

A class action alleges UnitedHealth used the nH Predict algorithm to cut off post-acute care for Medicare Advantage members. A federal judge let contract claims proceed in 2025 and ordered broad discovery in 2026. UnitedHealth denies the claims and says the tool does not make coverage decisions.

ABOUT THIS SYNOPSIS

This is MarLuc's summary and grading of publicly available sources, for information only. It is not investment, legal, financial or professional advice, and should not be relied on for any decision. Readers must validate it against the original sources and, where appropriate, challenge its conclusions.

Facts and figures are as reported by the sources listed below, which may be incomplete, self-reported or out of date. Check the original source before relying on any figure.

The impact band, proof marker and SEAM view are MarLuc's opinion. The organisation is not a MarLuc client and has not reviewed or endorsed this synopsis. Names and trademarks belong to their owners.

NOTICE WORDING LAST UPDATED 16 NOVEMBER 2026

AT A GLANCE

What went wrong: Weak oversight or controls; AI output or malfunction.

AI used: Predictive model estimating post-acute care needs from similar patients.

Implemented: 2019–2026. Grade: band F, Failure, Partly proved.

Headline result, as reported: Federal court let contract claims over the nH Predict algorithm proceed (February 2025) and ordered broad discovery (March 2026); UnitedHealth denies the claims

1 · The case

The facts, as reported by the 5 sources listed at the end. Where a source is silent, the field says "Not reported".

Organisation

UnitedHealth Group (UnitedHealthcare and naviHealth). US health insurer UnitedHealthcare, the largest Medicare Advantage payer, and naviHealth, a UnitedHealth subsidiary now within Optum that developed nH Predict. The case is in the US District Court for the District of Minnesota. Canvas block: 8. Governance and risk. Also 4. Operations and process, 3. Customers and proposition.

Business challenge

The challenge. Not reported in UnitedHealth's own terms. UnitedHealth says the tool is a guide to help inform providers, families and caregivers about the care a patient may need, and that coverage decisions follow CMS criteria and plan terms.

How it was addressed. nH Predict compares a patient with similar patients and recommends an estimated amount of post-acute care, per the court's summary of the complaint. STAT reported in November 2023 that internal documents showed managers set clinical staff a goal of keeping rehab stays within 1% of the days the algorithm projected. The class action, filed the same month for families of deceased Medicare Advantage members, alleges UnitedHealth used nH Predict in place of physicians to deny post-acute care, and that over 90% of denials were reversed on appeal. UnitedHealth denies using nH Predict for coverage decisions and says the lawsuit has no merit. [1] [2] [3] [4] [5]

Who implemented it

In-house (In-house): naviHealth (now part of Optum): unitedHealth subsidiary that developed and ran nH Predict.

Technology (SEAM pillar E)

SEAM types: T8 Predictive / ML models. Deployment: Not reported. Vendors and products: nH Predict.

Where it was built in: Used by naviHealth in managing post-acute care for UnitedHealthcare Medicare Advantage members; also used by Humana and several regional health plans, per STAT.

What changed

Before: post-acute care requests reviewed under UnitedHealthcare's earlier processes. After: a Senate subcommittee found UnitedHealthcare's post-acute denial rate more than doubled after it began using naviHealth and nH Predict in 2019, as relayed by ArentFox Schiff, and linked the rise to automation. Whether the tool caused the denials is disputed and undecided. [1] [2] [3] [4] [5]

Cost of failure

Cost of failure: Not reported. No damages, fines or settlement reported; litigation continues. The complaint says the families of two plaintiffs paid about $150,000 and $70,000 for care after denials, per STAT.

What it saved

Not reported [1] [2] [3] [4] [5]

Governance and control

UnitedHealth says physician medical reviewers make the final decision and its plan documents say clinical staff and physicians decide on care. STAT reported that those physicians review recommendations from case managers held to the 1% target. In March 2026 a court ordered UnitedHealth to produce documents on nH Predict, staff incentives and its internal AI review board.

S2 · Accountable owner · Claimed
UnitedHealth's plan documents say its clinical staff and physicians make care decisions; a named owner for nH Predict is not reported. [3]

A1 · Safe use · Not reported
Not reported.

A2 · Human in the loop · Claimed
UnitedHealth says physician medical reviewers make final decisions; STAT reported they review recommendations from case managers held to a 1% target, and the plaintiffs allege little human review. [1]

A3 · Monitoring and assurance · Evidenced
A March 2026 discovery order covers materials on UnitedHealth's internal AI review board; what the board reviewed or found is not public. [5]

A4 · Vendor AI · Not reported
The tool came from naviHealth, a UnitedHealth subsidiary; no outside vendor is reported. [5]

A5 · Agent controls · Not reported
No agents described.

A6 · Standards and regulation · Outside scrutiny (a regulator, court, auditor or similar body acted)
A federal court let contract claims proceed in February 2025 and ordered broad discovery in March 2026; a Senate subcommittee examined the insurer's post-acute denials in October 2024. [3] [4] [5]

What worked, what did not, what is unproven

WORKED

– Not reported

DID NOT

– Appeals: the plaintiffs allege over 90% of claim denials were reversed on appeal; UnitedHealth disputes the claims.

– Denial rates: a Senate subcommittee found UnitedHealthcare's post-acute denial rate rose sharply, coinciding with automated systems, per Skilled Nursing News.

– Transparency: one family says the companies refused to give reasons for denials, calling them confidential, per STAT's account of the complaint.

UNPROVEN

– Whether nH Predict was used to make the coverage decisions in the plaintiffs' cases; UnitedHealth denies any use.

– The accuracy of the algorithm's predictions; the 90% figure is the plaintiffs' calculation from appeal outcomes.

– Class certification and any finding of liability: Not reported.

Timeline

Jul 2019 nH Predict first goes into use, per a court discovery dispute [5]

Nov 2023 STAT investigation published; class action filed in federal court in Minnesota [1]

Oct 2024 Senate Permanent Subcommittee on Investigations reports on post-acute care denials by large Medicare Advantage insurers [4]

Feb 2025 Court dismisses most claims as preempted but lets breach of contract and good faith claims proceed [3]

Mar 2026 Magistrate judge orders broad discovery, including materials on UnitedHealth's internal AI review board [5]

2 · Grade and SEAM assessment

MarLuc's opinion, made on the evidence above. How cases are graded: marluc.co.uk/case-studies/how-we-rate

Level of change and impact

Claimed: Not applicable. Grade: F, Failure. Proof: Partly proved. Level of change: Not graded.

No level assessed: band F, alleged harm in a regulated decision process, supported in part by a Senate investigation and court rulings that let the case proceed.

Graded F on harm alleged in court and supported in part by a Senate investigation and investigative reporting; marked partly proved because no court has yet ruled on the merits, and UnitedHealth denies the claims.

The SEAM view and lessons learnt

The dispute sits where a prediction meets a coverage decision: a tool built to estimate care needs is alleged to have become a target that staff had to follow. The AI's part cannot yet be separated from staff targets, incentives and the appeals process, and a court has not ruled on the facts. Before using predictions in decisions about care or entitlement, a leadership team should ask who can override the model and whether staff targets push them not to.

1. Keep a model's estimate separate from staff performance targets.
2. Track appeal and reversal rates on decisions where a model was used.
3. Give people a clear reason when a decision affecting their care goes against them.

Evidence

Score 2 of 4. Independent but unresolved: court rulings let the case proceed and a Senate report found rising denials; liability has not been decided.

Evaluation method. Court proceedings and a congressional investigation: rulings on a motion to dismiss and on discovery, plus a Senate staff report relayed by trade press.

Sources disagree. UnitedHealth says the tool is not used to make coverage determinations, and the court notes it denies any use of nH Predict; the plaintiffs allege it replaced physicians' judgement, and a Senate report linked rising denials to automation.

Status. Open: litigation in discovery after a March 2026 order; no ruling on liability.

3 · Original sources

Read these in full. To challenge a fact or a grade, use the contact form at marluc.co.uk or the link on https://marluc.co.uk/case-studies/unitedhealth-navihealth-nh-predict

[1] STAT: UnitedHealth faces class action lawsuit over algorithmic care denials in Medicare Advantage plans
https://www.statnews.com/2023/11/14/unitedhealth-class-action-lawsuit-algorithm-medicare-advantage/

[2] Healthcare Dive: UnitedHealth sued over algorithm care denials
https://www.healthcaredive.com/news/unitedhealth-algorithm-lawsuit-care-denials/699834/

[3] US District Court, District of Minnesota: Estate of Gene B. Lokken v. UnitedHealth Group, memorandum opinion and order, 13 February 2025 (Georgetown litigation tracker copy)
https://litigationtracker.law.georgetown.edu/wp-content/uploads/2023/11/Lokken_2025.02.13_MEMORANDUM-OPINION-AND-ORDER.pdf

[4] Skilled Nursing News: U.S. Senate Subcommittee Raises Alarm Over Medicare Advantage's Denial of Post-Acute Care
https://skillednursingnews.com/2024/10/u-s-senate-subcommittee-cites-serious-concerns-on-medicare-advantages-denial-of-post-acute-care/

[5] ArentFox Schiff: Federal Court Orders Broad Discovery Against UHC in AI Coverage Denial Lawsuit
https://www.afslaw.com/perspectives/alerts/federal-court-orders-broad-discovery-against-uhc-ai-coverage-denial-lawsuit

UnitedHealth Group (UnitedHealthcare and naviHealth) website: https://www.unitedhealthgroup.com

Version 1.0 · Published 17 November 2026 · Updated 17 November 2026 · Facts checked against sources 17 November 2026 · Downloaded 26 November 2026. This PDF may be out of date: the latest version, and a way to report an error or a better source, is at https://marluc.co.uk/case-studies/unitedhealth-navihealth-nh-predict

VERSION HISTORY

v1.0 17 November 2026 First published