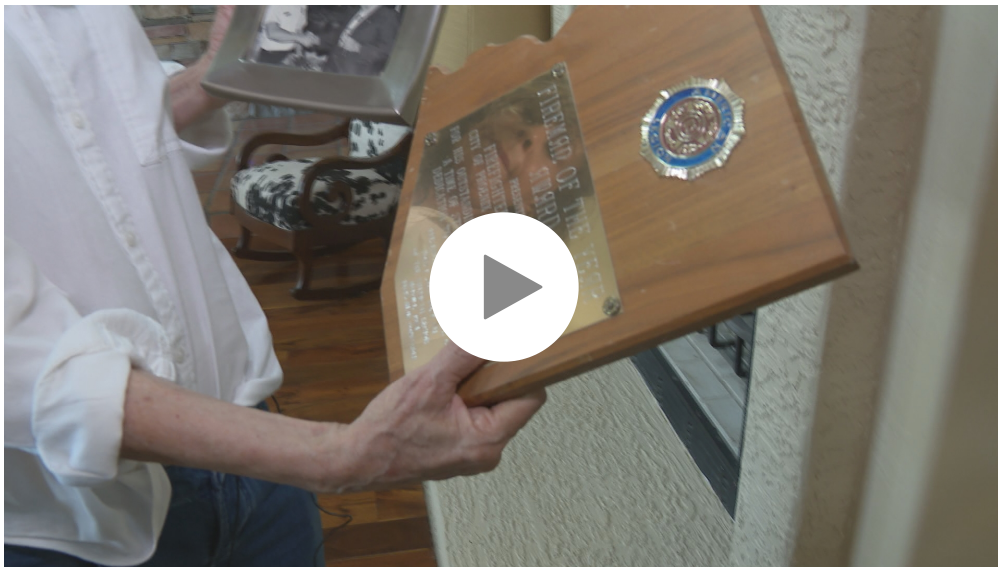


I-TEAM

\$40,000 out of pocket: Retired Phoenix first responders want insurance to pay outstanding bills

Thin Blue Line Benefits Association offered affordable health plans for retired first responders. Now, some complain medical bills aren't getting paid.



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PHOENIX — Retired Phoenix firefighters, police officers and their families are raising alarms about their insurance plan after waiting months for payment for their medical bills.

Thin Blue Line Benefits Association, a limited liability company from Texas, started as an organization for first responders who were in an insurance gap: they retired before age 65 and did not yet qualify for Medicare.

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The sales pitch was simple: these are plans only for first responders, who only deserve the best.

“I believe the reason most of these people went with Thin Blue Line is because they're geared toward retired police officers and retired firemen throughout the country,” said Susan Huff, a TBL member whose husband is a retired Phoenix firefighter.

“And they were a little bit cheaper,” Huff said.

How the plan worked

The company is an Association Health Plan, which describes itself as giving members access to benefits. Members pay premiums, have a deductible and copays, and are part of a coverage plan described in a summary of benefits and coverage document.

Members' records showed the plan used the Cigna provider network and Quilt Benefits and Kentucky Health Administrators to handle claims processing.

Then in December, those contracts were terminated.

Meanwhile, some members were complaining their medical bills were not getting paid.

\$40,000 out of pocket

Last fall, Susan Huff's daughter needed surgery.

“We had to take money out of our retirement to pay for it, thinking we were going to get reimbursed, you know, within a few months,” Huff said. “What we paid was \$40,000.”

Huff said her plan amounted to about \$2,000 per month in premiums. As the weeks and months wore on, she said she made multiple attempts to reach the company for payment.

“After the calling and calling, and it was like, this is so bizarre. I've never had anything like this happen before,” Huff said.

Huff began researching and noticing community groups on social media with dozens of other first responders and their families making similar complaints.

The I-Team spoke with multiple families of firefighters and police officers who also stated they have been paying premiums every month, but not getting the coverage they expect.



Letters to members

On December 2, Thin Blue Line management sent members an email to “address some concerns” about “plans, networks and provider issues.”

The email was not signed by a specific person, but Anna Reed is the CEO and sole manager, according to court filings.

The email alluded to reasons why Thin Blue Line would no longer work with Kentucky Health Administrators, Quilt Benefits or Cigna.

The email acknowledged delays in payment and said that the company made “some key changes in our executive management and eliminated those with ill intent from our company.”

“All claims will be paid correctly, and we are working rapidly to get them processed correctly and through the system,” the email stated. “Though these individuals have tried to make TBL insolvent this is not the case. TBL is fully intact and will stay that way despite these malicious actions.”

Thin Blue Line has not responded to multiple requests for comment from the 12News I-Team.

A few weeks later, members got a very different letter.

This time, from Paul Ford with Quilt Benefits.

“This letter is to inform you that, effective December 1, 2024, Quilt Benefits and its affiliate Kentucky Health Administrators... are no longer the claims administrator for the self-funded plan sponsor, Thin Blue Line, or any of its plans,” Ford wrote. “Cigna network access has also been terminated as of December 1, 2024.”

Ford offered a different reason for ending the agreement: a failure to pay claims.

“Please note that the unfortunate reason for the termination of this relationship is a result of Thin Blue Line failing to submit to Quilt timely funding of claim amounts due to providers... As a result of this failure to fund claims and after multiple notices and attempts to remedy the issue, Quilt rightfully terminated the administrative agreement with notice to Thin Blue Line on November 1, 2024.”

The lawsuit

On December 9, CEO Anna Reed and Robert Anderson filed a lawsuit against Matthew Clay accusing him of a breach of contract and disparagement.

Clay was an “initial member” of Thin Blue Line when it was established in 2020. Clay wanted to leave the company in 2024.

The lawsuit states Clay entered a “withdrawal” agreement with Thin Blue Line, but accuses him of violating the agreement and disparaging the company.

Clay denies the allegations. He filed a countersuit in response, accusing Thin Blue Line of fraud.

In his counterclaim, Clay contends that he is a retired law enforcement officer himself and that he joined Thin Blue Line as a member, “and paid significant monthly premiums,” but that some of his own bills were not paid.

“Clay, his family members and his medical providers have also submitted claims to TBL that were not paid,” Clay’s attorneys allege in the counterclaim.

Thin Blue Line and its attorneys did not respond to the I-Team’s request for comment but deny the allegations against the company in filings in federal court.

‘A history of fraud’ in Association Health Plans

“There's a long history of fraud in association health plans,” said Emeritus Professor Timothy Jost, of Washington and Lee University School of Law. “A lot of them have gone insolvent and left their members holding the bag.”

Healthcare advocates have [compiled lists of reports](#) over the years describing different companies that left members with millions of dollars in unclaimed medical bills.

A [2018 report](#) from the United Hospital Fund showed a long history of insolvencies.

“Self-insured Association Health Plans are inherently less stable than state regulated insurance companies because solvency requirements are lower and AHP operations are higher risk operations compared to traditional insurers,” the report stated.



Thin Blue Line is a self-funded association health plan, according to its court filings.

The Arizona Department of Insurance and Financial Institutions said Thin Blue Line is not licensed to provide insurance in Arizona but added that self-funded plans are not regulated by the state.

“It was hard to know, in some cases, who's regulating these,” said Sarah Lueck, the Vice President for Health Policy with the Center on Budget and Policy Priorities. “If I'm a consumer enrolled in those plans and I find something's wrong, it could be confusing and difficult to know who is the cop on the beat, who is the person I'm supposed to call to help me figure out the problem that I'm having.”

Steps you can take

"I can't speak to the details of what this specific arrangement is or what exactly is going on right here, but if it were me, I would say to call the state insurance department and file complaints," Lueck said. "Also to go to the Federal Labor Department and file a complaint."

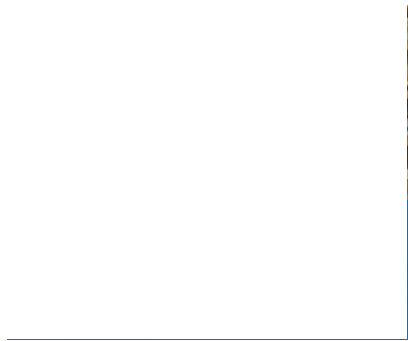
If you're concerned that your provider is not properly handling your medical claims, you can file [a complaint with the Arizona Department of Insurance and Financial Institutions](#).

"One other possible remedy would be to complain to the Employee Benefit Services Administration, the federal agency that regulates employer plans," Jost said.

Here's how to contact the [Employee Benefits Services Administration](#).

"I think it's really important that people make sure that they are buying licensed insurance," Jost said. "I would also start with going to a licensed insurance broker or agent who has a good reputation in the community and can guide me to find an insurance plan that is legitimate."

If you want new insurance, the [Affordable Care Act has open enrollment](#) every year beginning November 1, and continuing through the following January 15.



If you need insurance outside of open enrollment, you may be qualified for an exception to apply for a Marketplace plan. A licensed insurance agent may also be able to direct you to a private insurance plan.

Experts also recommend talking to your doctor or other healthcare provider about any unpaid medical bills. Many providers are willing to work with self-pay or low-income patients to avoid sending medical bills to collections.

For tips on this or any other story, email connect@12news.com or email Katie Wilcox at kwilcox@12news.com