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Former Resort Employee Sues Insurer, Claims AI ‘Bot’ Denied \$268K in Approved Medical Treatments

Joseph DeSantis, a former Capital Vacations employee, alleges that his insurer reversed prior approvals for life-saving procedures and used artificial intelligence instead of a human reviewer to reject payments, leaving him facing nearly \$268K in bills.

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A Virgin Islands man has filed a lawsuit against his employer and its insurance administrators, alleging that his medical treatments—initially approved and later denied—were reviewed and rejected by artificial intelligence rather than a human claims processor.

According to court filings, Joseph DeSantis, a former employee of SPM Resorts – Virgin Islands, LLC, which operates locally as Capital Vacations Resort Management, filed a civil complaint

alleging that his insurer improperly denied payments for treatments that had already been authorized.

SPM Resorts provides health insurance to its staff through the Elan Insurance Group, and DeSantis was among the employees covered under the plan.

In 2023, DeSantis was diagnosed with a serious medical condition and began treatment under his doctors' supervision. His lawsuit claims that the plan administrators — Elan Benefit Services LC, Elan Insurance Group, Inc., HealthSmart Care Management Solutions, LP, and HealthSmart Benefit Solutions, Inc. — approved his prescribed treatments in September 2023.

Following those authorizations, DeSantis underwent the approved procedures. However, the lawsuit alleges that in 2024, Elan began rejecting coverage for the very treatments it had already cleared. The complaint states that by late July 2024, repeated denials of “medically necessary and approved procedures” had accumulated to nearly \$268,000 in unpaid costs.

With no payments forthcoming, the medical center that had provided the treatments began billing DeSantis directly.

Seeking answers, DeSantis reviewed the benefit plan and concluded that the insurer's decision was inconsistent with its own coverage terms. He appealed the denials, but in October 2024, his appeal was rejected.

According to the lawsuit, a letter sent to DeSantis accused him of failing to obtain pre-certification for the procedures. In January 2025, he received another letter repeating that “pre-certification is not a guarantee of payment” and again refusing to cover the treatments.

After requesting an independent review, DeSantis received a third letter that, according to his complaint, both reiterated the denial and introduced a new reason for rejecting the claims — one that appeared to disregard his prior appeal.

The lawsuit asserts that this review may not have been conducted by a human. “It appears that Elan is using a ‘bot’ or artificial intelligence to conduct its ‘independent review’ of claims denial,” the filing states, pointing to the syntax of the correspondence as evidence that it was generated by an automated system rather than a person.

With administrative remedies exhausted, DeSantis is now seeking relief in court. His lawsuit asks for the payment of all healthcare benefits owed to him under the plan, along with legal fees, costs, and any other compensation deemed appropriate.

As of press time, none of the defendants named in the complaint have filed a response.