



American Medical Association v. Aetna Health Inc. (D. N.J.;11th Cir.)

Topics Covered: Managed Care Payments, Payment Issues (for Physicians), Usual, Customary and Reasonable Payments

Outcome: Unfavorable

Issue

The issue in this class action lawsuit is whether Aetna systematically understated its calculation of “usual, customary and reasonable” (UCR) payments for out-of-network medical services.

AMA Interest

The AMA supports fair policies and practices regarding payment for physician services.

Case Summary

The American Medical Association, several state medical societies, and two individual physicians sued Aetna Health and its various subsidiaries. The complaint alleged that Aetna systematically miscalculated the "usual, customary and reasonable" (UCR) amounts paid to out-of-network physicians. The miscalculations arose out of Aetna's use of two databases maintained by Ingenix, a subsidiary of United HealthCare. The complaint asserted violations of ERISA, RICO, and the Sherman Antitrust Act. The Judicial Panel on Multidistrict Litigation consolidated the various cases against Aetna that claim damages on account of its use of the Ingenix databases.

On March 8, 2011, the United States District Court for the Southern District of Florida enjoined the AMA from proceeding with claims in the New Jersey litigation on behalf of AMA members who were practicing medicine in 2003. The Florida court found that the claims of these members had been released under a 2003 settlement agreement, which resolved the claims made against Aetna in the Southern District of Florida case, *In re Managed Care Litigation*; MDL No. 1334. This injunction was notwithstanding that the claims asserted in the New Jersey litigation arose subsequent to the signing of the earlier settlement agreement, the AMA was not a party to the settlement with Aetna, and the AMA was not even a party in the *In re Managed Care Litigation*.

The New Jersey court dismissed, without prejudice, all claims that the Florida court had ordered dismissed. The plaintiffs, including the AMA, then proceeded in the New Jersey district court with those claims not subject to the Florida court order. On June 30, 2015, the New Jersey district court again dismissed the associations, this time for lack of associational standing.

The remaining plaintiffs filed a fourth amended complaint, which has been answered. The plaintiffs have moved for class certification, and that motion is being briefed.

AMA Involvement

The AMA was a named plaintiff in the case.