



Foundation Health v. Westside EKG Associates, 944 So.2d. 188 (Fla. 2006)

Topics Covered: Payment Issues (for Physicians), Managed Care Payments and Prompt Payment Laws

Outcome: Very Favorable

Issue

The issue in this case was whether the Florida HMO prompt payment law, Fla. Stat. § 641.3155, could be enforced through a private (i.e., non-governmental) right of action.

AMA Interest

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

Case Summary

The plaintiff group of physicians, Westside EKG Associates, was outside the network of the defendant HMOs. Although the health insurance contracts between the HMOs and Westside's patients did not refer to the HMO prompt payment law, Westside maintained that, by implication, the prompt payment law was incorporated into those contracts. Westside further contended that it was a third party beneficiary of those contracts.

The trial court entered judgment on the pleadings in favor of the HMOs. On appeal, the Florida District Court of Appeal reversed, ruling in favor of Westside. The District Court of Appeal certified the case to the Florida Supreme Court as an issue "of great public importance."

The Florida Supreme Court affirmed the District Court of Appeal, holding that the physicians could sue the HMOs for violation of the prompt payment law as third-party beneficiaries of the contract between the HMOs and their subscribers.

Litigation Center Involvement

The Litigation Center, joined by the Florida Medical Association, the Florida Hospital Association, and the Florida College of Emergency Physicians, filed an amicus curiae brief in support of the physicians.

Florida Supreme Court brief