



# In Re Managed Care Litigation - Provider Track Cases (S.D. Fla.)

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

## **Outcome: Favorable**

### **Issue**

The issue in this case was whether various health insurance/managed care companies had conspired to defraud physicians through their payment practices.

### **AMA Interest**

The AMA supports fair and prompt payment to physicians for their services.

### **Case Summary**

These consolidated class actions, initiated by several individual physicians and medical societies, alleged that several of the principal managed care organizations in the United States conspired to defraud physicians and other health care providers, in violation of the Racketeer Influenced and Corrupt Organizations (RICO) Act. Most of the defendants settled.

The settlements, among other things, required the defendants to disclose their coding edits (i.e., changes made to the Current Procedural Terminology (CPT) codes), adopt certain CPT conventions, clarify the criteria under which medical procedures will be deemed "medically necessary," fund a charitable foundation, and reimburse up to several hundred million dollars to the class of plaintiff physicians.

Three of the defendants, however, were granted summary judgments. In essence, the court ruled that parallel actions by separate business enterprises, even if those actions may have been illegal, were not, by themselves, sufficient evidence of a RICO conspiracy.

### **AMA Involvement**

In addition to its participation as a named plaintiff in one of the original cases brought prior to the multidistrict consolidation, the AMA assisted the plaintiffs with substantial technical advice on coding and other payment issues. The AMA also helped to educate physicians about the settlements and to work with individual physicians and groups recovering past claims as part of these settlements.