



Palmetto Pathology Services, P.A. v. Health Options, Inc., 983 So.2d 608 (Fla. Dist. Ct. App. 2008)

Topics Covered: Payment Issues (for Physicians)

Outcome: Very Favorable

Issue

The issue in this case was whether Florida statutory and regulatory law required HMOs to pay pathologists for hospital based services, even if the pathologists were not themselves within the HMO networks, so long as the hospitals were within the HMO networks.

AMA Interest

The AMA believes that physicians should be fairly compensated for their professional services.

Case Summary

Eleven different pathology groups sued three HMOs in 14 lawsuits filed in Florida courts, under similar legal theories.

The pathologists were outside the HMOs' networks but were based at hospitals within those networks. The HMOs' contracts with their patient subscribers required the HMOs to cover "professional clinical pathology laboratory services" (i.e., the services provided by the pathologists in performing and evaluating laboratory tests for the patient subscribers). Pursuant to Florida statute, the pathologists were not allowed to charge the HMO subscribers directly for these services. Fla. Stat. § 641.3154(1). Instead, the pathologists submitted their bills to the HMOs.

The HMOs refused to pay those bills, as the pathologists were outside the HMO. The pathologists nonetheless argued that the HMOs were liable for payment under Section 690-191.049(2) of the Florida Administrative Code, which provides:

"In the event the HMO has not contracted directly with a hospital based physician provider delivering services in the hospital, including, but not limited to, pathologists, radiologists, anesthesiologists, and emergency room physicians, the HMO shall pay for medically necessary and approved physician care rendered to a non-Medicare subscriber at a contracted hospital which services are covered by the HMO subscriber contract."

In the first of these cases to go to trial, the court ordered the HMOs to pay the pathologists \$1,546,479 as the reasonable value of their services.

The HMOs appealed. On April 16, 2008, the Florida Court of Appeal affirmed the trial court's decision.

Litigation Center Involvement

The Litigation Center assisted with the interpretation of various Current Procedural Technology (CPT) codes at issue in the lawsuit. Additionally, the Litigation Center joined the College of American Pathologists in an amicus curiae brief supporting the right of pathologists to collect the "clinical component" of their services from HMOs under Florida law.

Florida District Court of Appeal brief