

## Doctors In Calif. Sue Aetna Over Reimbursement Practices

By **Jeff Overley**

*Law360, New York (July 3, 2012, 7:04 PM EDT)* -- Doctors' groups across California on Tuesday sued divisions of Aetna Inc. for allegedly threatening physicians who referred patients to out-of-network providers and failing to honor policies that provided such coverage, accusations the insurer labeled as retaliation related to billing disputes.

The California Medical Association, which represents 35,000 doctors, is joined in the lawsuit by several regional medical groups, as well as 60 physicians, four surgery centers and a man who says he was wrongly denied reimbursement for surgery.

According to the plaintiffs, Aetna flouted Golden State law by telling physicians they wouldn't be paid if they directed patients to out-of-network providers.

"Aetna retaliates against its contracted physicians by threatening to terminate their contracts," the lawsuit said.

The lawsuit centers largely on preferred provider organizations, or PPOs, and also includes allegations that patients who purchased such policies were nevertheless confined to in-network providers.

An individual plaintiff, not identified, says Aetna disregarded the conditions of his plan by refusing to cover out-of-network care and ultimately paid only \$9,000 of his \$70,000 bill.

"Aetna retaliates against patients by making threatening phone calls and sending threatening letters if they attempt to use their out-of-network benefits, by not authorizing care at out-of-network providers and by grossly underpaying those out-of-network providers, and thereby causing the patient to incur most of the health care costs," the lawsuit says.

Anjie Coplin, a spokeswoman for Aetna, called the litigation payback for lawsuits the company has launched against several doctors and surgery centers it suspects of overbilling.

One of those centers — Bay Area Surgical Management — has also been sued by United Healthcare Services Inc., which accuses the company of a \$39 million ripoff in which physicians who referred patients were paid massive kickbacks funded by egregious overbilling practices.

"This is clearly retaliation against Aetna for our actions to [sue] physicians who are not looking out for

our members,” Coplin said. “Aetna’s actions protect our members from the small number of doctors who are putting profits ahead of patient care.”

Coplin singled out the practice of doctors referring patients to out-of-network facilities in which they have financial stakes, something alleged in the Aetna suit against BASM, which accuses the center of billing nearly 10 times its true price for some procedures.

“We will continue to pursue medical providers whose charges are so grossly out of line,” Coplin said.

Tuesday’s lawsuit comes nearly 10 years after Aetna inked a \$470 million settlement with 700,000 doctors in a nationwide class action accusing the insurer of shortchanging physicians and interfering with their treatment advice in order to cut costs.

The plaintiffs are represented by Rocky Delgadillo, Angela C. Agrusa and Sterling L. Cluff of Liner Grode Stein Yankelevitz Sunshine Regenstreif & Taylor LLP and Daron L. Tooch and Katherine M. Markowski of Hooper Lundy & Bookman PC.

The case is Los Angeles County Medical Association et al. v. Aetna Health of California et al., case number BC-487670, in the Superior Court of the County of Los Angeles, State of California.

--Editing by Cara Salvatore.