

## California Medical Association Files Class Action Suit Against WellPoint For Defrauding Patients And Physicians

by Medical-News-Today

The California Medical Association and the American Medical Association have joined individual physicians and other state medical groups to file a class action lawsuit against health insurance company WellPoint, Inc. The lawsuit, filed today in Los Angeles federal court, alleges that WellPoint colluded with Ingenix, a unit of United Health Group, on a price-fixing scheme that relied on an obscure database to set artificially low reimbursement rates for out-of-network care.

"Health insurers are data manipulating to set rates artificially low, forcing patients to pay more than they bargained for when they go to a doctor of their choice," said Dr. Dev GnanaDev, CMA president. "This undermines the patient choice that insurers promise when they tout their PPO products and undercompensates doctors for the care they provide."

WellPoint - which operates as Blue Cross in California - is legally bound to pay the usual and customary amount for care provided to their enrollees by an out of network physician. Patients pay any additional amounts over and above what WellPoint decides to pay for those services. To determine these rates, WellPoint uses a database run by Ingenix, a company owned and operated by United Health Group, another health insurance company.

A recent investigation by New York Attorney General Andrew Cuomo concluded that the Ingenix data is intentionally manipulated to allow health plans to scam physicians by shortchanging reimbursements on medical bills. A WellPoint executive acknowledged "conflicts of interest in the Ingenix database," and the company agreed to pay \$10 million to help fund a new database run by an independent non-profit organization to replace Ingenix. The company also agreed to quit feeding data into Ingenix and use the new system once it is up and running. The settlement with Cuomo did not seek redress for patients and doctors.

"As health care costs continue to rise, insurers appear to be scheming to find ways to shift resources to their bottom line rather than towards the health care of their enrollees. The CMA will continue fighting to obtain relief for patients and physicians who were harmed by the systemic flaws of the conflict ridden Ingenix database," Dr. GnanaDev said.

The CMA and AMA have filed this litigation in partnership with the Medical Association of Connecticut, Georgia, North Carolina and the individual plaintiffs Dr. Stephen D. Henry and Dr. James G. Schwendig.

The California Medical Association represents more than 35,000 physicians in all modes of practice and specialties. CMA is dedicated to the health of all patients in California.

Source: California Medical Association

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