



Harrison v. Aetna U.S. Healthcare (N.D. Ga., S.D. Fla.)

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

Outcome: Favorable

Issue

The issue in this case was whether insurance companies were liable to physicians under a Georgia statute that assessed interest on late payments of claims for their professional services.

AMA Interest

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

Case Summary

Harrison v. Aetna, as originally filed, sought to enforce the Georgia prompt payment law. However, it was subsumed into the Multidistrict Litigation known as In Re Managed Care Litigation—Provider Track Cases, pending in the United States District Court for the Southern District of Florida and, in such re-configuration, embraced a host of additional issues.

The original class action lawsuit was filed in Georgia state court and included the AMA, the Medical Association of Georgia, and three physicians as plaintiffs. The suit sought monetary damages under Georgia law on account of late payments of physician claims. The Georgia prompt payment statute provides that insurance companies must pay interest on "clean claims" from physicians, which are unpaid after 15 working days of their receipt. The suit contended that Aetna routinely failed to pay claims within that time frame. Shortly after the suit was filed, the Georgia Insurance Commissioner fined Aetna for violations of the prompt payment law.

Aetna removed the suit to federal court in Georgia, contending that the suit involved an interpretation of the federal ERISA statute and thus invoked federal question jurisdiction. The plaintiffs subsequently filed an amended complaint, adding a count under ERISA.

The Federal Judicial Panel on Multidistrict Litigation ("MDL") ordered this case and its companion cases transferred to Judge Federico Moreno in the United States District Court for the Southern District of Florida. Once transferred, it was consolidated with other lawsuits against managed care entities. The consolidated litigation was designated In Re Managed Care Litigation—Provider Track Cases and encompassed a broad range of allegations, most notably a charge that 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 Act (RICO). Although the AMA was a plaintiff in the Managed Care MDL proceedings, it was not named as a plaintiff in the consolidated MDL/RICO

complaint. Ultimately, the In re Managed Care Litigation suit settled on terms favorable to the plaintiff physicians.

AMA Involvement

In addition to its participation as a named plaintiff in the original Harrison v. Aetna case, the AMA assisted the plaintiffs with substantial technical advice on coding and other payment issues.