



Kansas City Urology Care v. Blue Cross and Blue Shield of Kansas City (Mo. Ct. App.)

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

Outcome: Very Unfavorable

Issue

The issue in this case is whether insurance companies can compel arbitration of physicians' claims that the insurers violated Missouri antitrust laws by conspiring to pay reduced fees to physicians and physician groups with whom they had entered into provider agreements.

AMA Interest

Although the AMA supports arbitration clauses in certain contexts, it believes that the arbitration provisions at issue in this case are inapplicable and unenforceable. Among other things, the parties did not agree to arbitrate the antitrust dispute at issue.

Case Summary

The plaintiff physician groups initiated a class action lawsuit against insurance companies alleging an antitrust conspiracy for their reducing payments to the physicians on their provider panels.

The insurance companies moved to compel arbitration, based on arbitration clauses in their provider agreements with plaintiffs. The trial court found the arbitration clauses unenforceable and denied the motions to compel arbitration. It found that the requested arbitration would effectively immunize the insurance companies from the type of claims brought by plaintiffs and prevent the enforcement of plaintiffs' antitrust claims. Defendants appealed.

Litigation Center Involvement

The Litigation Center along with the Missouri State Medical Association filed a motion in the Missouri Court of Appeals to submit an amicus curiae brief to support the plaintiffs. The brief argued that the arbitration clauses are unconscionable because they were created and imposed on a take-it-or-leave-it basis, and contain impermissible limitation of damages provisions. The Court of Appeals denied leave to file the amicus brief.