



# Pennsylvania Psychiatric Society v. Green Spring Health Services, 280 F.3d 278 (3d Cir. 2002)

Topics Covered: Health Plan Coverage, Patient Rights

**Outcome: Very Favorable**

## **Issue**

The issue in this case was whether a medical society of psychiatrists could prosecute claims against a managed care organization for systematic mishandling of the claims for mental health benefits of the psychiatrists' patients.

## **AMA Interest**

The AMA supports the full and appropriate provision of health care services, including mental/behavioral health care services, and the AMA supports third party payors' approval of payment for those services.

## **Case Summary**

This case, filed against Green Spring Health Services, Magellan Health Services, and four insurance companies, alleged that the defendants systematically refused to authorize and otherwise restricted the provision of medically necessary behavioral health care, in violation of the Pennsylvania Quality Health Care Accountability and Protection Act, the physicians' provider contracts, the insurance policies themselves, and various non-contractual obligations.

The trial court dismissed the case, holding that the Pennsylvania Psychiatric Society ("PPS") lacked associational standing to file the suit and that an arbitration clause in the provider contract precluded a lawsuit in court. PPS appealed.

The United States Court of Appeals for the Third Circuit reversed the dismissal, holding that PPS was potentially entitled, based on the pleadings, to sue on behalf of its members and their patients. The court remanded the case to the trial court for consideration of the remaining issues, including the arbitration clause.

## **Litigation Center Involvement**

The Litigation Center and the Pennsylvania Medical Society filed an amicus brief to support PPS in its appeal. They also contributed financially to the PPS legal expenses.

United States Court of Appeals for the Third Circuit brief