

Kansas City Business Journal - March 14, 2005
<http://kansascity.bizjournals.com/kansascity/stories/2005/03/14/story3.html>

KANSAS CITY BUSINESS JOURNAL

EXCLUSIVE REPORTS

Business Pulse Survey: Does the way eminent domain is used in Kansas City need to be restricted?

[Click here to vote](#)

From the March 11, 2005 print edition

Ohio cases offer clues on KC suits against insurers

[Lola Butcher](#)

Staff Writer

Kansas City-area doctors who wonder whether suing an insurance company will lead to more money might look to Cincinnati for some insights.

In 2002, doctors sued four big insurers there, alleging that they had conspired to keep reimbursement rates low, the same charge leveled in two lawsuits filed last month in the Kansas City area.

No verdicts have been rendered in the cases in Cincinnati, where, like Kansas City, twin suits were filed because of a state line that divides the metropolitan area. But two plaintiffs settled out of court, giving doctors reason to smile -- or complain.

"The reaction is all over the place," said Russell Dean, executive director of the Academy of Medicine in Cincinnati, a lead plaintiff in the cases. "I've heard from doctors who are amazed and thrilled at what they will get and others who say, 'Oh, gosh, they were going to give us that much anyway.'"

Even before about 250 local physicians filed antitrust suits against the six biggest insurers in this market, the Metropolitan Medical Society of Greater Kansas City had invited lawyers in the Cincinnati case to come discuss the litigation in that city. Dean said the Cincinnati lawsuits were filed after the Academy -- similar to Kansas City's medical society -- studied that city's long-standing problems in recruiting and retaining physicians and spread the word about that problem.

Mid America Medical Affiliates, a local physician advocacy group, voted March 8 to support the Kansas City-area lawsuits against insurers, in part by taking the physicians' message to the business community. MAMA President Dr. William Soper said he expects many employers to see the lawsuits as an impending source of premium increases. The more immediate threat, he said, is to the access and quality of health care for workers.

"Virtually every doctor around that table (at the board meeting) had a story about trying to recruit a doctor and losing them to Des Moines or Springfield or Topeka," he said.

In Cincinnati, Humana Inc., one of the largest insurers in the market, and Aetna, a smaller player, entered into separate settlements; neither admitted wrongdoing.

Humana agreed to increase reimbursement by \$100 million during the next three years. Plaintiffs' lawyers translated that into a roughly 30 percent increase, but Humana's Jeff Blunt said it equates to an average of a 5 percent annual increase in overall reimbursement, consistent with increases Humana had paid the previous five years.

The Aetna agreement calls for an increase of \$22 million in reimbursement during the next three years. Aetna spokesman David Carter could not speak about the settlement in Cincinnati, but he said one of Aetna's nationwide priorities is paying physicians better and faster.

Physicians still must negotiate individual contracts with the insurers. Dean said both settlements set 2003 rates

as a floor, meaning neither insurer can reduce rates to less than what they paid that year. Additionally, both insurers agreed to form compliance committees, beginning in 2007, to oversee negotiations between insurers and doctors. Those committees will include physicians.

"I think that's a major part of the victory," Dean said.

Unlike Cincinnati, physicians in Kansas City have filed two additional suits, roughly mirror cases in Wyandotte and Jackson counties, alleging that big insurers systematically delay and deny legitimate claims.

Those suits, as well as the reimbursement rate cases, seek to be considered class actions representing all physicians in the metro area.

Reach Lola Butcher at 816-421-5900 or lbutcher@bizjournals.com.


[Extra](#)

[Best small biz markets](#)

We rate the largest metros for healthiest climate for entrepreneurs.

» [Find out more](#)

» [10 best metros for Small Business](#) | » [Rankings for 50 largest markets](#) | » [Startup Successes](#)

© 2005 American City Business Journals Inc.  [Add RSS Headlines](#)

Post a Job Locally

Single Job Posting for \$280

Create your job ad in as little as a few minutes and it will appear on the local business journal website for 60-days. Candidate resumes are filtered by position requirements and delivered directly to your email inbox. [Get Started Today!](#)

» **Special Offer:** 3 job posts and resume search - \$600

Today's Featured Jobs powered by [bizjournalsHire](#)

- [Human Resource Manager - Diversified Technical](#)
- [Sales Administrative Assistant - American Italian Pasta Company](#)
- [Oracle DBA - Genesis10](#)
- [Sales Overlay Specialist - Verizon Business](#)
- [Equipment Service Employee \(Part-Time Ramp/ Luggag - Northwest Airlines](#)

[More Local Jobs](#)

→ [Post Jobs](#) | → [Post Your Resume](#) | → [Search Jobs](#)

All contents of this site © American City Business Journals Inc. All rights reserved.