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MDs win concessions from Horizon

Class-action settlement expected to reduce paperwork hassles for medical profession

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Doctors in New Jersey participating in Horizon Blue Cross Blue Shield of New Jersey could spend less time wrangling with the insurer over administrative matters as a result of a class-action settlement reached with the state's largest health insurer.

The settlement grew out of a 2002 class action lawsuit filed against Horizon by a Clifton pediatrician, John Sutter. Terms of the settlement were recently approved by Judge Stephen Bernstein in Superior Court in Essex County.

Eric Katz, the Roseland attorney who represented Sutter, said the settlement saves "substantial administrative costs that go to the business of medicine." He said the agreement will benefit perhaps as many as 60,000 other doctors, in addition to Sutter.

According to the settlement, Horizon has, among other things, agreed:

- To make fee schedules for commonly used procedures available to its participating doctors.

- To provide information to doctors about adjustments made to payment codes so they know what reimbursement to expect.

- To provide 90 days notice to participating physicians of any changes to Horizon's contracts, policies and procedures.

- Not to recover overpayments to physicians after more than 18 months has passed from the original payment.

- Not to reduce the fees it pays to physicians more than once per calendar year.

Under terms of the settlement, primary care physicians can also stop accepting new Horizon patients, provided the doctor gives the insurer 90 days notice. Horizon also has agreed not to subsequently revoke a determination of medical necessity without evidence of fraud, error or change in a patient's condition.

The settlement is designed to increase transparency in claim payments, reduce administrative overhead and improve interactions between the health plan and physicians, according to a joint statement on the settlement agreed to by Horizon and Katz, a senior part-

ner in the law firm of Mazie Slater Katz & Freeman

"The decrease in administrative burdens allows you to improve quality of care and spend more time providing medical services to patients," said Sutter, 54, adding it has been a "very long case," but one with "profound" implications.

In addition to Horizon, Sutter also had sued Cigna, United Healthcare and Oxford. Health Net

of New Jersey was later added.

The cases against the insurers were ultimately broken down into individual class-action lawsuits, Katz said. Only the Horizon case and the case against Oxford, which is still in litigation, remained in New Jersey courts, however.

The lawsuits against the other insurers were joined with other similar cases pending in federal court in Florida, said Katz.