



Class Action Certified In Suit Against Horizon

Mary B. Maskal

ON OCTOBER 21, 2005, JUDGE STEPHEN J. Bernstein of the Superior Court of New Jersey, Essex County, certified class status in an action filed by Caldwell Oral and Maxillofacial Surgeon and NJDA member, Michael H. Kirsch, D.D.S., on behalf of thousands of New Jersey dentists. The suit is seeking tens of millions of dollars from Horizon Blue Cross Blue Shield of New Jersey ("Horizon"), the largest managed care organization in the state, for its alleged improper and untimely claims processing practices in violation of New Jersey's prompt payment laws (the HINT Act).

The certified class consists of all participating and non-participating dental providers and dental provider groups, regardless of specialty, who provided services to Horizon insureds and subscribers under any of Horizon's dental and medical plans. Dr. Kirsch filed this class action to address the healthcare crisis brought on by the claims processing practices of Horizon that allegedly have violated the HINT Act since its enactment in 1999.

Pursuant to the HINT Act, Horizon must process claims and advise providers of its payment decisions within certain statutory timeframes, or it waives the right to contest payment for these claims. In addition, Horizon must pay

interest on claims that it pays outside of the statutory timeframes. The damages sought by the class will include not only statutory interest on late paid claims, but also payments for the countless claims which can no longer be contested by Horizon as a matter of law.

NJDA has been aware of the on-going problems dentists have when submitting claims to the Horizon medical plan. In fact, NJDA staff met with the Horizon Medical Director at one point to raise awareness of the issue and reach an amicable understanding. Some dentists, however, continued to seek assistance through NJDA's Claims Resolution Program, but even NJDA experienced difficulty with the lack of responsiveness on the part of the medical plan's staff.

"Horizon's failure to pay claims timely in accordance with the New Jersey prompt payment laws jeopardizes the ability of New Jersey dentists to offer quality dental care to the people of the State of New Jersey. The costs associated with the delivery of such care are substantial and include payment of overhead and salaries as well as payment for the purchase of supplies and equipment. These costs can only be met when Horizon makes prompt and appropriate payment of claims to the dental

providers," noted lead class counsel, Eric D. Katz, a partner in the law firm of Nagel Rice & Mazie in Roseland, New Jersey.

"My costs for providing quality patient care have skyrocketed in the last several years. This is primarily due to salaries and benefits for additional staff required just to follow-up on unpaid and unanswered claims. By uniting New Jersey dentists together in this Class Action suit, we can raise public awareness of the insurance companies' delays and frustrating tactics, and change the way these managed care organizations abuse the very doctors who are treating their subscribers," says lead plaintiff, Dr. Michael H. Kirsch.

This is the third significant provider class certified in actions against managed care organizations in New Jersey since 2004 to address improper claims processing. In July 2004, a 65,000-physician class was certified against Horizon asserting substantially similar claims as those asserted here by Dr. Kirsch. That case is scheduled to proceed to trial in March 2006. In January 2005, a 15,000-physician class was certified against Oxford Health Plans in arbitration, one of the first managed care class arbitrations in the country. The arbitration is currently in discovery. Mr. Katz is lead class counsel in those cases as well. ■