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## **\$350 Million Dollar Settlement With United Healthcare/Ingenix Will Compensate Providers for Insurer’s Failure to Properly Reimburse for Out-Of-Network Services**

### **FEATURED ATTORNEY**

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On January 14, 2010, United HealthCare/Ingenix signed a settlement in a class action suit brought by the American Medical Association, the Medical Society of the State of New York and other plaintiffs, under which United will be paying a total of \$350 million to affected practitioners.

As a result of consumer complaints that health insurers were failing to cover health care charges, the Attorney General’s Office of New York launched an investigation into the out-of-network repayment practices of insurance carriers in New York.

The Attorney General focused on the insurers’ reimbursement of members for out-of-network claims. Generally, out-of-network insurance rates are based on the lowest of either: (i) the physician’s actual charge; (ii) the physician’s usual charge; or (iii) the “reasonable and customary charge” for the service (defined as the “usual charge of other doctors or other providers of similar training or experience in the same or similar geographic area for the same or similar service or supply”).

The investigation concluded that in determining the “usual and customary” rate for out-of-network providers, health insurers were utilizing rate schedules compiled by Ingenix, Inc. (“Ingenix”), a wholly-owned subsidiary of UnitedHealth. Plaintiffs alleged that Ingenix had a conflict of interest in preparing schedules that were supposed to “fairly reflect” market rates and that as a result, the repayment rates being paid for out-of-network services were depressed to levels that were lower than they should have been.

The Attorney General recently announced that United would discontinue the use of the Ingenix Database;

pay \$50 million to a not-for-profit corporation to establish a replacement for that database; and pay the plaintiff class \$350 million.

Physicians looking to get their share of the settlement should first determine if they qualify. The American Medical Association has launched an online guide that provides details on determining eligibility for monetary damages, filing a claim and gathering supporting documentation. The website also includes copies of claim forms and a list of plans included in the settlement ( [www.ama-assn.org/go/ucrsettlement](http://www.ama-assn.org/go/ucrsettlement)).

A hearing to determine final approval of the settlement is set for September 13, 2010. Doctors have until July 27, 2010 to file any objections to the settlement, or to opt out of the settlement.

In short, if you want to participate in the settlement, then you must file a claim form by October 5, 2010. If you qualify for payments under the Settlement Agreement and do nothing at all, you will get no money.

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For more information about the United HealthCare/Ingenix Settlement, please contact Pat Formato, Esq. (516) 328-2300.