

## **New York State Attorney General Forces CareCore to Restructure**

For years, many New York metropolitan area providers have been frustrated by dealings with the radiology network administrator known as CareCore National, LLC. Specifically, CareCore (which is owned in part by numerous New York area radiologists) has blocked non-owner providers from participating in managed care contracts administered by CareCore (Oxford, Aetna, HIPA A and Health Net). Over the years, providers who have been excluded by CareCore from managed care contracting opportunities have brought suit against CareCore, alleging antitrust violations and unfair business dealings. These private lawsuits are just now making their way through the court system and are resulting in private settlements between CareCore and the litigants. These lawsuits, however, while successful for a number of the plaintiffs, have not offered relief for the provider community as a whole.

Now, however, as a result of an investigation by the New York Attorney General, broader change that will benefit the entire provider community is on the way. Pursuant to a December 20, 2010 Assurance of Discontinuance, the New York State Attorney General's Office has mandated that CareCore modify its corporate structure to remove from its ownership ranks any physician who provides services to the managed care organizations with which CareCore contracts. Similarly, CareCore must now adopt policies to exclude from management committees and network inclusion decisions any physician who renders services to the managed care organizations with which CareCore contracts. These changes are intended to level the radiology playing field and enable managed care enrollees to obtain services from the most qualified providers.

CareCore's settlement with the Attorney General's office specifically provides as follows:

- CareCore shall make determinations regarding its New York network contracting in the following manner:
- administrative personnel will review applications submitted by providers and provide information to CareCore's management personnel;
- CareCore's management personnel, who shall not include any member of any CareCore Network, will make decisions regarding whether to contract with or recommend that MCOs contract with providers, based on the needs of its MCO customers and all applicable state regulations including regulations regarding access; and
- Network providers will not have any consulting or decision-making role in the process.
- CareCore shall establish an appeals process for providers that have been denied membership in a CareCore Network.

For more information, please contact your attorney contact at our firm.