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AMA ANNOUNCES PHYSICIAN CLASS-ACTIONS AGAINST AETNA AND CIGNA

Lawsuits seek an end to insurer scheme that shifts medical costs to physicians and their patients

NEWARK, N.J. – The American Medical Association (AMA) and several state medical associations, including the Medical Society of New Jersey, joined with individual physicians in filing separate class-action lawsuits against Aetna Health, Inc. and CIGNA Corporation claiming the companies used rigged data to dramatically under-reimburse physicians.

The two lawsuits, filed late yesterday in New Jersey federal court, contend that for more than a decade the two health insurance companies used a corrupt system to underpay physicians for out-of-network medical services and forced patients to pay an excessive portion of the costs.

“We can no longer ignore the improper business practices of health insurers who decide to play by their own rules without regard to patients, or the legitimate costs required to care for them,” said AMA President Nancy H. Nielsen, M.D.

The complaints charge Aetna and CIGNA with relying on skewed data provided by UnitedHealth Group subsidiary Ingenix to set reimbursement rates for out-of-network care. Evidence from a recent investigation launched by New York Attorney General Andrew Cuomo found that the Ingenix data is intentionally manipulated to allow health plans to scam physicians by shortchanging reimbursements on medical bills.

“Through our lawsuits, the AMA and our partner medical societies seek to reform the payment systems used by Aetna and CIGNA by ending their dependence on the Ingenix database,” said Dr. Nielsen. “The lawsuits also seek relief for physicians who were seriously harmed by Aetna and CIGNA through the insurers’ long-term use of the flawed Ingenix database.”

The Litigation Center of the AMA and State Medical Societies is supporting the lawsuits in partnership with the Connecticut State Medical Society, Medical Society of New Jersey, Medical Society of the State of New York, North Carolina Medical Society and Texas Medical Association.

Please visit the AMA website to view the complaints filed against Aetna and CIGNA.

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