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AMA VICTORY IN CASE AGAINST INSURER ACHIEVED WITH RECORD BREAKING SETTLEMENT

Settlement reimburses patients and physicians who have been shortchanged

CHICAGO – The American Medical Association (AMA), along with the Medical Society of the State of New York and the Missouri State Medical Association, claims victory with the settlement agreement reached today in the lawsuit against United Health Group. The \$350 million settlement marks the largest monetary settlement of a class action lawsuit against a single health insurer in the U.S.

“By using a flawed database to determine reimbursement rates for out-of-network care, insurers have increased profits at the expense of patients and physicians,” said AMA President, Nancy H. Nielsen, M.D. “By agreeing to the settlement, United Health Group has recognized the importance of restoring its relationship with patients and physicians by ending use of a rigged database.”

This lawsuit, pending since 2000, challenged the validity of the United Health Group owned Ingenix database to determine the reimbursement rates for out-of-network care. Today’s settlement will ensure United Health Group is held accountable for reimbursing the patients and physicians it shortchanged through the use of this flawed database. The settlement supports the separate agreement between United Health Group and the New York Attorney General to trust the repair and operation of a new database to a not-for-profit institution.

“The AMA has long fought to increase the transparency of the health insurance industry’s payment system, and this settlement is a giant step toward achieving that goal,” said Dr. Nielsen. “We must hold insurers accountable to their obligations.”

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Editor’s Note: The settlement is subject to preliminary approval by a federal district court in New York. No distribution of the settlement fund can take place until final court approval has been obtained following a "fairness" hearing. Details of the settlement and formal notice will be provided to affected members of the subscriber and the healthcare provider classes.

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