REFORM UPDATE: Judge bars UnitedHealthcare from dropping docs from Medicare Advantage plans

By Paul Demko
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A federal judge in Connecticut has issued a preliminary injunction prohibiting UnitedHealthcare from dropping doctors from its provider networks for Medicare Advantage plans.

The ruling by U.S. District Court Judge Stefan Underhill could have national implications as UnitedHealthcare and other insurers move to tighten their Advantage networks.

The ruling stems from a lawsuit filed by the Fairfield County Medical Association and the Hartford County Medical Association, who argue that UnitedHealthcare breached contracts when it dropped roughly 2,200 doctors from its provider networks for 2014.

Underhill concluded that both patients and doctors would suffer irreparable harm if the terminations were allowed to proceed. “The associations have demonstrated likelihood of success on the merits of their contract-based claims,” Underhill wrote in his decision. “United's argument that it has a unilateral right to terminate participating physicians from participation in the Medicare Advantage plans by 'amendment' of that plan is not supported by the language of the contract or the parties' experience under it.”

UnitedHealthcare plans to appeal the ruling.

“We disagree with the court's preliminary ruling,” UnitedHealthcare spokesman Terence O'Hara said. “We believe it will create unnecessary and in fact harmful disruptions to Medicare beneficiaries in Connecticut.”

Connecticut officials hailed the decision. “We won't let UnitedHeathcare get away with interfering with the doctor-patient relationship,” said Dr. Robin Oshman, president of the Fairfield County Medical Association, in a statement. “While this is one huge step in the right direction, the journey is far from over.”

The ruling only applies to doctors in Connecticut, but could spur additional litigation. UnitedHealthcare, the largest issuer of Medicare Advantage plans, has been reducing provider networks in states across the country and could face additional lawsuits. Other insurance firms are also narrowing networks.

The changes come in response to cuts to Medicare Advantage plans—$117 billion over the course of a decade, according to the Congressional Budget Office—that were part of the Patient Protection and Affordable Care Act. Those reductions were designed to bring the costs of the private Medicare program into parity with traditional Medicare.

“We are making changes across the business to make sure our plans are available, sustainable and affordable for Medicare beneficiaries in the face of those cuts,” O'Hara said.

Dr. Sam Unterricht, president of the Medical Society of the State of New York, said officials there are meeting later today to determine if they will file their own lawsuit. According to Unterricht, doctors in that state have received termination notices from UnitedHealthcare, Empire Blue Cross and Blue Shield and EmblemHealth.

“We're encouraged by the Connecticut decision,” Unterricht said. “It's limited in scope, but it's encouraging.”

Likewise, the Ohio State Medical Association has raised repeated concerns about hundreds of doctors being dropped in that state. The Ohio organization hasn't yet decided if it will take similar legal action.

“We are reviewing the ruling and will determine how it might pertain to our situation here in Ohio and then will decide what next steps we might take,” Reginald Fields, spokesman for the Ohio State Medical Association, said in an e-mail to Modern Healthcare.

Other states affected by the reductions in provider networks include Florida and Indiana.

The open-enrollment window for Medicare closed Saturday. Terminations for providers would be effective Feb. 1.