A.G. looks at plan to drop Medicare docs

By Laura Nahmias and Dan Goldberg 12:57 p.m. Dec. 30, 2013

The state attorney general is looking into United Healthcare’s plans to drop as many as 2,000 New York state doctors from its Medicare Advantage program on January 1, 2014.

United’s plan prompted a federal lawsuit from the Medical Society of the State of New York, a 22,000 member group of doctors that argued in a complaint filed last week that the the proposed doctor terminations constitute a breach of contract that could jeopardize the health of as many as 8,000 New York Medicare patients under those doctors’ care.

In a letter obtained by Capital sent earlier this month from Attorney General Eric Schneiderman’s office, health care bureau chief Lisa Landau wrote that the office was “concerned that seniors will have had insufficient time to make an informed choice” about a new doctor given the close proximity of the terminations and Medicare enrollment deadlines.

The A.G. sought information about the physicians and patients who would be affected by United’s termination plans. The insurer has responded to that letter and both parties are still discussing the termination plans, an official from Schneiderman’s office said.

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The Medical Society’s complaint alleges that United terminated doctors’ contracts in order to offset “reduced federal payments under the Affordable Care Act.”

Society president Sam Unterricht said the insurer is focusing on its bottom line at the expense of patients.

“Because of the Affordable Care Act, Medicare has cut the reimbursement to the medicare advantage plans … insurance companies are concerned and want to keep their profits up,” Unterricht told Capital.

“They want to have an adequate network and yet they are cutting the doctors. They are not really explaining why they feel this would save them money. They told us confidentially that they are
trying to eliminate doctors who have a higher utilization … and shift doctors away from solo practices into large groups. They feel they have more control over large groups when it comes to negotiating contracts,” Unterricht said.

The New York society’s request for a temporary restraining order against United’s plan was denied, and the case awaits a hearing from a federal judge. The date for that hearing has not yet been set.

“We appreciate the court’s swift action which prevents unnecessary confusion and uncertainty for our Medicare members in New York,” said United Healthcare spokeswoman Jessica Pappas. “The changes we are making to our network will encourage higher quality and more affordable Medicare coverage. We will remain focused on serving our members and will continue to provide them a broad and comprehensive choice of doctors in New York, including nearly 10,000 primary care physicians and more than 17,500 specialists.”

New York is only the most recent state to push back against United’s plans to terminate doctors from the Medicare Advantage program. A federal judge in Connecticut issued an injunction earlier this month preventing United from following through on plans to terminate Medicare Advantage doctors in that state.

The injunction came in response to a lawsuit filed by two Connecticut medical societies against United. Multiple groups, including the American Medical Association and medical societies from at least five other states, filed amicus briefs in support of the Connecticut doctors’ complaint.

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