

AMA files brief contesting insurer's payment practices

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Photo: U.S. Supreme Court

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(HealthDay)—A landmark case examining the question of whether physicians can bring a class arbitration against a health insurer who has underpaid them is currently before the U.S. Supreme Court, in a brief filed by the Litigation Center of the American Medical Association and State Medical Societies and the Medical Society of New Jersey.

The friend-of-the-court brief, recently filed, dates back to September 2003 when John Sutter, M.D., a New Jersey [pediatrician](#), claimed that Oxford Health Plans bundled, downcoded, and delayed payment for his own services and those of an additional 20,000 physicians in the same

network.

In contracts between insurers and [physicians](#), disputes can only be resolved by arbitration. Consequently, Sutter has requested that his claims be filed as a class arbitration. This has been deemed acceptable under the terms of the contract by the arbitrator and other legal opinions, but the case has been appealed to the U.S. Supreme Court by Oxford Health Plans.

"Since health insurers like Oxford know that arbitration is a seldom-used and ineffective way of bringing individual claims, they can violate their contracts with doctors with impunity, underpaying doctors and leaving them with no effective means to challenge such underpayments," the brief states. "It is clear that Oxford would rather pay hundreds of claims individually in arbitration and continue its practices unabated so that it would never have to stop its wrongful—and lucrative—conduct."

More information: [More Information](#)

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