

# AMA: Ruling makes it easier for insurers to terminate doctors

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(HealthDay)—The outcome of a recent case regarding the termination of physicians by an insurance company following a dispute over the necessity of medical services provided has serious implications for physicians and their patients, according to a report published by the American Medical Association (AMA).

Two New York physicians and their [medical practice](#) sued Cigna after the [health plan](#) decided that it should not have paid the physicians for certain allergy tests, which it alleged were not in line with coverage policies. As well as asking for the overpayment to be returned, Cigna decided to terminate the physicians from its network.

The physicians argued that, under the Employee Retirement Income

Security Act (ERISA), they could not be terminated because they should be considered plan beneficiaries based on assignment of benefits by their patients. The physicians contended that they were beneficiaries based on signed assignment-of-benefit forms, while the court said these forms would transfer patients' rights to be paid by Cigna, and consequently the benefit belongs to patients. The court ruled that, because the plaintiffs were not seeking payment, ERISA did not apply.

"[The decision] threatens the ability of providers ever to assert any ERISA claim, even if the provider is designated by the plan and an insured as entitled to benefit payments," according to an amicus brief filed by the Litigation Center of the AMA and State Medical Societies, along with the Medical Society of the State of New York, and backed the physician plaintiffs. "That conclusion is contrary to virtually every other circuit court decision addressing providers' rights to bring claims under ERISA."

**More information:** [More Information](#)

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