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## **Alabama DCs Bring Suit against Blue Cross/Blue Shield**

By Editorial Staff

Ten Alabama DCs have filed suit against Blue Cross and Blue Shield (BC/BS) of Alabama for discriminating against chiropractors. The plaintiffs allege two antitrust violations of the Sherman Act: restraint of trade or commerce in an agreement with HealthSouth Corp., and monopolizing or attempting to monopolize health care reimbursement services in Alabama.

The suit also alleges that BC/BS has engaged in:

- establishing severely restrictive benefit limits for chiropractic services that are arbitrary and without reasonable justification;
  
- reimbursing chiropractors at a much lower rate than the reimbursements paid to other providers for comparable services;
  
- establishing higher deductibles with lower limits of benefits offered by DCs than for other providers offering comparable services;
  
- eliminating coverage by DCs for services for which they are licensed, while allowing other providers to be reimbursed for those same services;
  
- refusing to provide benefits for diagnostic testing when ordered by DCs; and

- impeding, delaying, or discouraging persons covered by Blue Cross plans from seeking treatment by DCs.

The 10 chiropractic plaintiffs in the suit are:

- *Jonathan Griffiths (Pinson)*
- *J. Matthew Youngblood (Mobile)*
- *Dr. Ronald Ivie (Birmingham)*
- *Dr. J. Robert Hollis Jr. (Montgomery)*
- *Dr. M. Burton Anderson (Florence)*
- *Dr. Jody S. Gray (Pinson)*
- *Dr. Peter DeFranco (Hueytown)*
- *Dr. Carl Nelson (Andalusia)*
- *Dr. Kevin Palmer (Haleyville)*
- *Dr. Jerry S. Kirby (Atlanta Highway)*

Defendant Blue Cross is an Alabama nonprofit organization with its principle place of business in Birmingham. Blue Cross provides or administers health benefits plans for over 70 percent of Alabama's insured residents.

Blue Cross is the nationwide Medicare fiscal intermediary for HealthSouth, the nation's largest provider of physical therapy. In October 2000, Blue Cross announced that HealthSouth would no longer be self-insured. Blue Cross is now the insurer for all of HealthSouth's employee health insurance policies nationwide.

The plaintiffs allege that "in return for the substantial payments that Blue Cross receives from HealthSouth, it has agreed to pay HealthSouth more for the physical therapy services HealthSouth provides and to direct business away from the plaintiffs to HealthSouth." The plaintiffs state that Blue Cross has "unilaterally, arbitrarily, and capriciously determined that on certain procedures, doctors of chiropractic will be reimbursed at a much lower level than hospital-based physical therapists, particularly those at HealthSouth facilities."

Because of BC's dominant position in the state, the plaintiffs allege that the actions of Blue Cross have "substantially affected interstate trade and commerce;" that Blue Cross has "utilized its strength and power to act in a discriminatory, anti-competitive, arbitrary, and capricious manner to the detriment of the

plaintiffs."

The plaintiffs' demands include a "judgment against Blue Cross for compensatory and punitive damages in an amount to be determined by the court, plus interest and costs, including attorneys' fees."



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