

LEGAL UPDATE



Litigation Minute: The Fight for Proper Reimbursement Continues



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The fight against insurers for proper reimbursement continues. Over 15 years ago, Florida pathologists secured a major victory with the legal decision of the now, well-known case of Health Options, Inc. v. Palmetto Pathology Services, P.A. The case established that professional component of clinical pathology services rendered by hospital based pathologists constitute “physician care” “rendered to” patients, for which compensation must be paid.

Notwithstanding the lapse of time since the Palmetto Pathology decision, the fight between pathologists

and insurance companies continues-- for both proper reimbursement on anatomical and clinical pathology claims. In 2021, a major class action settlement was reached with Sunshine State Health Plans, Inc. insurance company for the non-payment of the professional component of clinical pathology services in their commercial plans. Two additional class actions were settled against UnitedHealth Care and Molina insurance for the non-payment of the professional component of clinical pathology services according to the Medicaid fee schedule in their respective Medicaid lines-of-business. Lastly, in early 2023 a class action settlement was finalized against Oscar Insurance Company for the non-payment of the professional component of clinical pathology services in their commercial plans.

Outside of the class action context, recent successes have also included several large settlements for individual groups against some of Florida’s largest commercial payors. Those settlements have resulted in

significant payment on past denied and improperly paid claims, as well as favorable contract terms allowing each group to again go in network.

Notably, the COVID-19 pandemic, still fresh in everyone’s memory, has greatly improved the landscape of our litigation efforts. Judges and juries are now more sensitive to and understand better the need for timely, accurate, and reliable lab results. Insurers though will unabashedly persist in not properly paying for same and the fight will continue.

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