

INSURANCE CARRIER ENDING COVERAGE OF PHYSICIANS UNDER MEDICARE ADVANTAGE CONTRACTS

Physicians, healthcare providers, insurers and other interested parties should be aware that a large insurance carrier operating Medicare Advantage plans in Missouri and Illinois recently has begun terminating its relationships with large numbers of participating physicians. The actions against the participating physicians have been imposed via a unilateral “amendment” to the physicians’ Medicare Advantage contracts, often during the middle of the enrollment year.

The American Medical Association (AMA) has lobbied the Centers for Medicare and Medicaid Services (CMS) and urged federal court judges to view these unilateral amendments to existing Medicare Advantage contracts as formal notices of contract termination. The AMA argues that injunctions are a necessary remedy physicians must have available if faced with a contract termination letter to preserve due process and prevent disruptions to longstanding relationships between patients and physicians.

The Missouri State Medical Association (MSMA) advises that the first wave of the contract amendment notices was mailed on March 20, 2014 with a termination effective date of July 1, 2014, and within the past ten days a second wave of notices was sent out, affecting 9-10 percent of the physicians in MSMA or 900-1,000 physicians.

The actions by a Medicare Advantage insurer terminating its relationships with physicians and physician groups during the middle of the enrollment year potentially impacts all interested parties including the physician, the patient and other insurers participating in the Medicare Advantage program.

In October 2013, termination letters were issued to more than 2,000 Connecticut physicians notifying them that they would be removed from a Medicare Advantage Network, effective February 1, 2014. The United States District Court for the District of Connecticut granted the physicians a motion for a preliminary injunction barring the insurance company from abruptly terminating the physicians from their Medicare Advantage program. The case is [*Fairfield County Medical Association, et al. v. UnitedHealthcare of New*](#)

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[England, et al, No. 3:13-cv-1621](#), and its resolution has potential implications nationwide.

Armstrong Teasdale lawyers regularly counsel physicians and physician groups, other providers and payors in complex healthcare legal matters, and are skilled and conversant in the issues at stake with terminations from Medicare Advantage plans.