

# Lawsuit Filed vs. New York's Largest Insurance Carriers

## "WHOLESALE REJECTION" OF CHIROPRACTIC CLAIMS PROMPTS SUIT

Editorial Staff

Dr. Robert J. Hoffman, who practices chiropractic in Oyster Bay, New York, has filed a class-action lawsuit against New York's largest insurance carriers, Empire Blue Cross and Blue Shield and Empire Healthnet.

The lawsuit, filed July 18, 1996, was precipitated by the June 1995 State Insurance Department (SID) examination of Empire's practices and procedures, and a February 19, 1996 SID consent decree in which Empire admitted to committing various violations of insurance law in its "wholesale rejection" of chiropractic service claims. The SID found that Empire engaged in "unfair claim settlement" practices with respect to processing and denying of claims for chiropractic services.

As noted by the SID report, the lawsuit states that Empire rejected claims for manipulative treatments when performed by chiropractors, while paying claims for the same or similar services rendered by physicians, physical therapists or osteopaths; that Empire rejected reimbursable claims for physical therapy services by chiropractors, even when those DCs were licensed physical therapists; and denied claims for x-ray and radiological services rendered by DCs.

"Their covert plan resulted in a diminution of patients' visits to doctors of chiropractic, depriving subscribers of needed chiropractic care," said Hoffman. According to Dr. Hoffman, board chairman of the New York Chiropractic Council and ICA Executive Committee member, "This lawsuit is being filed not only on behalf of the 4,300 doctors of chiropractic in New York state, but also on behalf of the tens of thousands of chiropractic patients who were denied just reimbursement for health care services."

Dr. Robert Braile, president of the ICA, said the ICA would support Dr. Hoffman's efforts by "canvassing doctors of chiropractic, not only in New York, but across the country, particularly in the adjacent states of Connecticut and New Jersey where many doctors of chiropractic may want to complete a 'Declaration of Interest.'" Dr. Braile added that it was "important for other insurance companies to know that this type of conduct will not be tolerated."

The suit is being brought under the Employees Retirement Income Security Act of 1974 (ERISA), which governs rights of reimbursement for health care professionals, and under general business law of New York, which prohibits deceptive insurance industry practices. The New York City law firm of Rheingold, Valet & Rheingold, PC, is leading this action; Hunter Shkolnik is the lead attorney.

Editor's note: DCs interested in participating in this lawsuit should call the New York Chiropractic Council at 718-386-3988.

Information on the status of the case will be available at the ICA's Internet site:  
[url=<http://www.chiropractic.org>]http://www.chiropractic.org[url].

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