Dynamic Chiropractic

Chiropractic Association of Louisiana Triumphs in State Supreme Court

LIMITED REIMBURSEMENT FOR STATE EMPLOYEES SEEKING CHIROPRACTIC THWARTED

Editorial Staff

On June 5, 1992, the Louisiana Supreme Court unanimously voted to deny writs for an appeal hearing in Chiropractic Association of Louisiana (CAL) vs. the State of Louisiana (State Employees Group Benefits Program). With this decision, the state of Louisiana has now exhausted all avenues of appeal in this case, which CAL originated in 1984 to enforce the state's insurance equality statute.

The lawsuit charged the Board of Trustees (administrators of the state employees group benefits program) with discrimination against chiropractors and state employees seeking chiropractic care. CAL filed the lawsuit in response to changes made in the employees' insurance policy which effectively limited reimbursement for chiropractic services to $100 per month, with other providers being reimbursed at 80 percent of usual and customary charges. The association argued that these limitations violated a Louisiana statute requiring insurers and the State Employee Plan to reimburse for services provided by chiropractors whenever it reimburses others for those same services.

The state claimed that it was not discriminating against a class of provider, as the limitation (of reimbursement) applied to anyone offering the defined service. But the defined service, without naming chiropractic, clearly took aim at chiropractic. The policy language stated:

"Outpatient treatment in connection with the detection or correction by manual or mechanical means of structural imbalance, distortion, or subluxation in the human body for purposes of removing nerve interference when such interference is a result or related to distortion, misalignment, or subluxation of or in the vertebral column ... "

In response to the state's claim, CAL filed a motion for summary judgment in September of 1984. That motion was granted in February of 1987, but the state appealed the decision. Upon appeal by the state, there was a reversal and the case was remanded to the lower court. The District Court tried the case in August of 1989 and in January of 1990 rendered a declaratory judgment in CAL's favor.

But once again, the state appealed. On November 5, 1991 the First Circuit Court of Appeals affirmed the lower court's judgment with the appellate opinion reading, in part: " ... we feel constrained to hold that Paragraph G [which contained the limitation] violates substantive law since it is the result of discriminatory restrictions thinly disguised as non-discriminatory restrictions."

Even though the appellate decision was unanimous, the state requested a rehearing before the same panel of judges. That request was denied, and earlier this year the state filed a writ applying for a hearing with the Louisiana Supreme Court which was denied on June 5th. After eight long years, CAL had finally won the case.

CAL's victory would not have been possible without some outside assistance. The American Chiropractic Association (ACA) donated $18,000 to CAL's legal defense fund, and individual doctors and state associations also made contributions.

According to Mr. John R. Martzell, attorney for CAL, the state's counsel informed him that immediately upon receipt of the Supreme Court's action, the benefits group program was notified to discontinue review for pending chiropractic claims and was required to pay claims for chiropractic services in accordance with the terms of the injunction. The benefits program must reimburse chiropractic claims at the rate specified in the policy for services provided by other classes of physicians.

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