

PI FAX & Email ALERT

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Breaking News

Auto Club Sued for Skimping on med pay: 21st Century next

At long last the massive million dollar scheme to deny full med pay benefits to doctors was exposed in [Palermo vs. Auto Club of Southern California](#).

Attorneys at legendary Class Action/Bad Faith Shernoff, Bidart & Darras law firm just settled their class action case for \$475,000 plus interest. Auto also Club agreed to pay DC's the full policy limits and revamp how they determine payment of Usual and Customary fees.

Mitchell Medical was hired by Auto Club to 'review' doctor fees. Auto Club would send an EOB to the doctor explaining why they were cutting the fee. But it was the vendor Mitchell Medical who did the actual reviewing, by using a "computer software program". Specifically, MM claimed payment was based on the provider's "geographic region": see Explanation Code 30 or 41 on the EOB. But MM didn't play fair. MM approved claims at "predetermined" levels. The dates involving these med pay claims were from June 17, 1998 to Dec 31, 2006.

The Settlement Agreement was given preliminary approval Dec 19, 2007. A Fairness Hearing will take place at the Los Angeles Superior court April 24, 2008.

This is the first major case reported where a major insurance carrier was forced to pay and change their corporate behavior. Continued next column.....

21st Century also charged with not paying med pay to doctors

The Shernoff firm also has a class action pending against 21st Century.

If you were deliberately underpaid for your patients' med pay by 21st Century in the last 7 years you might qualify to be a member of the Class Action lawsuit.

For more information contact John Tawlian at 310 697 9000.



Continued Auto Club :

If you would like to attend the Fairness Hearing on April 24 contact us for their address. You may also get information from www.autoclubmedpaysettlement.com.

**Next Teleconference
Regarding the med pay cuts and denials,
with class action attorney Armen
Gregorian.**

**Thursday, February 21 @ 1:00 pm
E-mail john_tawlian@shawnsteel.com for
telephone # and pass code.**