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Doctors protest being told what labs to use

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By Julie Appleby, USA TODAY

Some doctor groups are protesting moves by the nation's largest insurer, UnitedHealth Group, for what they say is dictating where they can send patients for lab tests and where they can perform certain procedures.

The controversy was sparked, in part, by a 10-year, \$3 billion exclusive contract UnitedHealth signed late last year with Laboratory Corporation of America. The move is expected to channel many of United's patients to testing centers run by the firm, away from rival Quest Diagnostics, which has told Wall Street its revenue growth this year could suffer by about 7% as a result.

United warned doctors in its network they could be fined or dropped if they continue to refer patients to other labs, with the exception of some contracted local and regional labs. Although LabCorp is working to add patient service centers to its network, some doctors say patients may have to go farther for tests.

"It's United's business purview to switch (lab companies), but they should have ensured there's a safety net in place first," says Matthew Katz, executive director of the Connecticut State Medical Society.

In a nationwide policy updated in August that has also prompted concern from doctors, UnitedHealth dropped an extra "facility fee" paid to gastroenterologists who perform some procedures, such as colonoscopies, in hospitals or ambulatory surgery centers. The insurer will make higher payments to doctors who do the procedures in their offices.

Edward Cattau, chairman of the national affairs committee for American College of Gastroenterology, says that while some procedures can be safely performed in offices, there is far less state oversight compared with hospitals or surgery centers. Doctors should decide, he says, where to do procedures.

Connecticut doctors say the move amounts to a 30% pay cut because most doctors prefer to do the procedures in surgery centers or hospitals.

"We do see it clearly as an attempt to drive things into the office purely based on finances and not safety," says Cattau.

"From a philosophical point of view, at what level should a health plan be able to dictate where medical services are provided?" asks Jeanine Freeman, senior vice president of legal affairs for the Iowa Medical Society, whose members are concerned about the required switch from Quest labs to LabCorp.

United says the rules are not new, that doctors have always faced the possibility of sanctions for routinely referring patients to non-participating labs or services. Spokesman Tyler Mason says the rules will also help consumers, who must pay more if they go to out-of-network labs, doctors or hospitals.

On the issue of the fees paid to gastroenterologists, United said in a Jan. 19 letter to the Connecticut Medical Society that it had changed its payments to conform with Medicare. It is not an inducement to send more patients to doctors' offices for procedures, United wrote, but an acknowledgment that it costs a doctor more to do them in-office.

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