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College of Physicians and Surgeons of Puerto Rico Join Lawsuit Against Health Plans

Ongoing Suit Has Led to Major Reforms with Two Major HMOs

Tuesday, September 14, 2004: The College of Physicians and Surgeons in Puerto Rico has joined a lawsuit against several health plans from the Blue Cross-Blue Shield network, including Triple S and Blue Cross of Puerto Rico, under the civil RICO (Racketeer Influenced and Corruption Act) laws. The College of Physicians and Surgeons, on behalf of all Puerto Rican physicians, joins the lawsuit with over 700,000 physicians in Florida, Texas, California, Connecticut, Georgia, Louisiana and other states. The lawsuit will be seen at a Florida Court.

Class Action status for the RICO claims were affirmed in the 11th Circuit Court of Appeals on September 1, 2004. This is a major victory for the physicians affirming their original charges against health insurers. Opponents to this suit long claimed the 11th circuit would rule in favor of the defendants.

“Physicians of Puerto Rico are taking a stand,” said Marissel Velazquez, President of the College. “By joining this lawsuit we are saying enough is enough. We are struggling every day to provide the proper care for our patients under these conditions. The only way to fight the large for-profit corporations is to join this lawsuit that is challenging and seeking to fix the exact problems plaguing the medical profession,” said Velazquez. “This lawsuit has already led to significant changes in the way doctors are treated by two of the largest insurers in the U.S. and has helped assure medical decisions are led to physicians to make”.

The lawsuit is not requesting a determined amount of dollars for compensation, rather the amount of dollars will be determined by the Court of Law. A similar lawsuit was filed in the U.S. against several major HMOs, such as Cigna, Aetna, United Healthcare, Humana Health Plans, Coventry, Wellpoint, Pacificare Health Systems, Inc, and Anthem Blue Cross Blue Shield. Aetna settled with the physicians on May 21, 2003 for over \$500 million. Cigna settled on September 4, 2003 for \$600 million. Both Aetna and Cigna have committed many millions of dollars to a foundation dedicated to improving healthcare.

“It is important to emphasize that The College of Physicians and Surgeons, on behalf of all doctors in Puerto Rico, is not seeking monetary compensation to doctors as a result of this lawsuit. What we are seeking is some balance to the system and to protect the physician-patient relationship and provide adequate healthcare to patients. It is also probable that many millions of dollars may be committed to improving healthcare in Puerto Rico as well,” said Dr. Velazquez.

For many years profit driven health plans have taken advantage of physicians by forcing upon them unfair contracts and business practices, victimizing physicians and their patients. In Puerto

Rico, the unfair business practices are even more egregious and blatant than in the continental U.S. These practices affect general practitioners, specialists and sub specialists as well.

The College of Physicians and Surgeons seeks to stop many of the health plans in Puerto Rico from using coercive, unfair and fraudulent means to dominate and control physician-patient relationships for their own financial gain to the detriment of physicians and their patients.

“The quality of health care in Puerto Rico is being challenged by a health care system controlled by for-profit health-plans, which aims to reduce costs and increase profits on the backs of physicians and patients, which is going to cause the system to crumble.” added Dr. Velazquez.

“The for-profit HMOs have engaged in a scheme that included lying to the employers about their benefits, lying to physicians about commitment to payment for quality health care and fraudulently promising patients that they would be there in the time of greatest need. And so, we stand here today to expand this fight into all corners of the United States, until patients can once again trust that their doctor can provide them with the care they need, free of interference by companies driven only by greed,” said Archie Lamb, co-lead counsel for the physicians.