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Today's News Thursday, May 14, 2009

Ingenix Settlement Nixed

Federal district court judge Lawrence McKenna rejected a \$350 million offer as insufficient to settle class-action lawsuits related to whether UnitedHealthcare underpaid patients and doctors for out-of-network care (see *Pulse*, April 24). The judge found that the proposed settlement amount was insufficient, given the large portion that would be allocated to administrative costs, according to HANYS. Judge McKenna indicated that more information is needed for a final settlement, including the number of class-action plaintiffs.

Racial Disparity in Health Plans

Although New York state has a sophisticated quality assurance and monitoring program that tracks health outcomes in its public and commercial health plans, it hasn't yet harnessed that data-gathering power to take the next step and address racial and ethnic health disparities. That is the conclusion of a new policy brief authored by Elisabeth Benjamin and Arianne Garza and released yesterday by the Community Service Society. African-Americans, for example, had significantly worse outcomes than all other racial and ethnic groups on 10 of 12 health measures. The report makes several recommendations to use the state's public insurance programs to reduce racial and ethnic disparities in health outcomes. It is at http://www.cssny.org/userimages/downloads/Promoting_Equity_May2009.pdf.

Not What the Doctor Ordered

A bill trumpeted last week by Sen. Charles Schumer and Rep. Joe Crowley, D-Queens, to fund more primary care training spots in city hospitals (*Pulse*, May 7) won't solve the shortage of primary care practitioners, says one PCP affiliated with a teaching hospital. Without inducements to choose family practice, trainees will continue to pursue lucrative careers as specialists. "More than 90% of training graduates from internal medicine programs go into subspecialty fellowships," the doctor says. "Until the incentives are changed so that primary care becomes attractive, Schumer can do anything he wants with training spots, but it will make no difference." A GNYHA spokesman says the criticism is misguided because the PCP shortage can't end until the number of physicians being trained increases, which the legislation addresses. The bill also gives teaching hospitals an incentive to expand primary care programs, he adds.

Paterson introduces insurance reforms

In a package of insurance reform bills introduced in Albany this week, Gov. David Paterson's administration is once again pushing to restore the state's power to give prior approval to any rate hikes for health insurers. A similar package failed last June.

In addition to fully regulating rate increases, the bill proposes increasing the minimum medical loss ratios—the amount that health plans spend on claims—from 75% for small groups and 80% for individual policies to 85% for both. If an insurer doesn't meet the 85% MLR, the insurance superintendent can cut premiums and make the insurer issue refunds or credits. The bill also does away with the public hearings that once were part of the rate setting process. Advocates for better health coverage oppose that provision.

Managed care also gets attention in the package. It gives customers enrolled in PPOs and exclusive provider organizations the same grievance procedures and access to care requirements as HMO members. It also extends rights for EPO members to obtain services out of network at the in-network rate if there isn't an appropriate in-