HMOs Swallow A Bitter Pill

An appeal court decision striking down at-will provisions in doctors’ contracts is sending shock waves through the managed-care industry.

By MIKE McKEE

Obstetrician Louis Potvin didn’t go quietly into the night five years ago, when Metropolitan Life Insurance Co. terminated him without cause from its network of health care providers.

Faced with losing most of his patients, the Orange County doctor badgered company executives for an explanation. Told at first that it was purely a business decision, he later learned that MetLife felt he had a problematic “malpractice history.”

The explanation infuriated Potvin because he had been hit with only four malpractice claims in his 30-plus years in practice, and three of those were dropped. The fourth settled in 1977 without Potvin admitting liability.

Potvin sued, claiming that at-will contracts like MetLife’s — which let companies unilaterally end agreements without saying why — give doctors no recourse to challenge decisions that could devastate their practices. In a marker in which managed-care companies possess a stranglehold over doctors’ economic survival, he argued, the contracts amount to a severe violation of doctors’ right to fair hearings.

The Second District Court of Appeal agreed with Potvin last month in a precedential ruling that’s sending shock waves through the managed-care industry. The court held that doctors contracting with managed-care companies are entitled to

Will DOJ Backslide in Affirmative Action Case?

By BENJAMIN WITTES

WASHINGTON — The U.S. Justice Department last weighed in on the question of whether race can be a factor in job benefits; whether the question's

Walter Dellinger, was opposed to the original reversal. There is no political appointee in place at the helm of the Civil Rights Division to pick up Patrick’s

Bar Panel Rejects Change to Paper’s Advisory Board

By ALLYSON QUBELL

Accusations of censorship and

Doctor’s Victory Shines Light on Power of HMOs

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the same fair hearing procedures afforded physicians by HMOs.

"In our view,..." added Alan G. White, another attorney at trial. "We believe that the..."

"...will..." said Justice Vaino Spencer wrote in a unanimous Decision in the case. "..."