

Patients Caught in Dispute Between HMO, Hospitals

Medicine: Some Medi-Cal enrollees have access problems because of a contract battle between Health Net and Tenet Healthcare.

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Romina Cabrera did not know why, all of a sudden, she could not take her new baby to see his pediatrician.

Christian was born four months prematurely, on March 26, and released from a Van Nuys hospital 55 days later. As a child of a mother on Medi-Cal, which serves the state's poor and disabled, Christian was referred to a nearby pediatrician. Christian got good care with his new doctor, Cabrera said, but earlier this month Cabrera was told that the doctor no longer could see Christian.

"My heart sank; I didn't know where to go," said Cabrera, 24.

Cabrera's problem wasn't that the pediatrician, Dr. Pejman Salimpour, did not want to see her son. Rather, Health Net Inc., the insurance company through which Christian receives Medi-Cal coverage, this month halted all new Medi-Cal enrollment at 10 hospitals and about 20 doctors' groups owned by or affiliated with Tenet Healthcare Corp., the state's largest hospital operator.

Health Net took the action because it has been locked in a protracted contract battle with Tenet over hospital reimbursement rates. Their yearlong dispute reflects the heightened tensions between hospitals and health plans as they try to preserve profits and gain market leverage at a time when health insurance premiums are soaring. Medi-Cal has been a growing and important business for both Health Net and Tenet as well as some other HMOs and hospital companies.

Just how many new Medi-Cal enrollees have been inconvenienced or more seriously affected by Health Net's freeze is unclear. Regulators at the California Department of Managed Health Care, which oversees HMOs, said they were looking into the matter but so far have not received complaints from Medi-Cal members.

Officials at Health Net, which reported more than 577,000 Medi-Cal members at the end of last year, said they took the action to reduce the risk of patient disruption if negotiations broke down and resulted in termination of contracts.

But health professionals and consumer advocates say that whatever the intent, some patients such as Christian are getting caught in the middle of two health-care industry giants.

Christian's case illustrates that Tenet and Health Net "are playing hardball with each other, thinking they are not harming patients, when in fact they are," said Lucien Wulsin, director of the Insure the Uninsured Project, a nonprofit group in Santa Monica.

Christopher Ciano, general manager of Health Net's Southern California operations, said that as a result of the contract dispute, Health Net also halted new enrollment for private insurance members at three other Tenet-affiliated medical groups, which he would not identify.

Ciano said that even with the freeze, Health Net's new Medi-Cal members and others can choose from other doctors and hospitals. Ciano said the freeze affects only 10% of the hospitals and about 12% of the primary care physicians in Health Net's network.

But in certain areas, such as Inglewood, Tenet has a dominant market share. And health professionals said the loss of access to some hospitals and medical groups could make things tough for Medi-Cal patients, who are the least likely to have transportation to see doctors farther away.

In some instances, it is more serious. Under California's complex public insurance program, Christian, for example, was covered to see any doctor on a fee-for-service basis for up to two months after his release from the hospital. During that time, he was seen by Salimpour more than a dozen times.

But when Christian's mother and then later Salimpour's office tried to sign up Christian for continued care under Medi-Cal, Health Net said he could not be enrolled with Salimpour because of the freeze. So Christian's mother took her baby to another Health Net-approved pediatrician farther away, but she said that doctor's group told her it did not have the ability to write a referral for Christian to see a specialist. That's when Salimpour intervened, complaining to senior Health Net executives, who have assured him that Christian will have access to him.

"But what about all the other families?" said Salimpour, an associate professor of clinical pediatrics at UCLA. Salimpour said 20 other current and prospective patients have complained to him. Health Net and Tenet, he said, "should keep their disputes in the corporate boardroom and leave patients out of it."

Health Net said the current enrollment freeze should not separate families or new dependents, and that members should call if that has happened.

Steven Fisher, deputy director at the state Department of Managed Health Care, said the agency would investigate whether Health Net's freeze has disrupted care and whether new enrollees have reasonable access to providers, as is guaranteed under the patients rights law.

Fisher and Stan Rosenstein, Department of Health Services assistant deputy director of medical care services, both said their agencies would ensure that Health Net's provider directory reflects any changes, so that prospective Medi-Cal members do not sign up with the HMO thinking they have access to certain doctors or hospitals that have been frozen.

Officials at Health Net and Tenet said they have served termination notices to each other at several facilities, although none would take effect until later this year. Health Net officials said Tenet was demanding unreasonable reimbursement rates, in some cases two to three times those of competitors.

Harry Anderson, a spokesman at Tenet, which operates more than two dozen hospitals in Southern California, said the company's offer was fair. Neither side would provide further details.