

PRESS RELEASE

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STATE INSURANCE DIRECTOR WARNS YUMA DOCTORS NOT TO COLLECT IMPROPER AMOUNTS FROM HMO ENROLLEES

Arizona Director of Insurance Charles R. Cohen today issued a warning to Yuma United Medical Associates, Ltd., an independent physicians association representing approximately 100 physicians in the Yuma area, that its member physicians must not attempt to collect from HMO enrollees amounts owed to the physicians by an HMO.

Cohen pointed out that Arizona law prohibits providers who are under contract to provide services to HMO enrollees from collecting amounts from enrollees in excess of co-payments, deductibles or for uncovered services.

"It is important for consumers to know that their responsibility to make payment directly to physicians extends only to amounts they are obligated to pay under their policy with the HMO," Cohen said. "These are generally deductibles, co-payments and payment for services not covered by their plan.

"It is illegal for a physician or other contract provider to attempt to collect from consumers amounts that may be due to the provider from the HMO. If consumers encounter this kind of conduct, I urge them to refuse to pay and to immediately bring the matter to the attention of their HMO and the Arizona Department of Insurance."

The statewide toll-free phone number at the Insurance Department for consumer complaints is 800 325-2548.

In a letter to Dr. Brian Grogan, president of Yuma Unified Medical Associates, Ltd., dated March 22, 1999, Cohen stated: "I have received reports that member physicians of your IPA (independent physicians association), who claim that payments owed them by Premier Healthcare or Yuma PHO, Inc., under their contracts to provide services to enrollees of Premier are past due, may be attempting to collect those amounts directly from the enrollees.

"Please be advised that Arizona law expressly prohibits a provider under contract with an HMO from charging or attempting to collect amounts from enrollees in excess of the amounts enrollees are obligated to pay..."

Cohen noted that Arizona law provides that an enrollee "is not liable to the provider for any amounts owed by the (HMO) organization..."

"I am aware that many of these physicians also have an ownership interest in Premier through their interest in your IPA and Yuma PHO, Inc., and that there are extant business disputes between the physicians and Premier arising out of both the operations of Premier and its proposed acquisition by MatureWell, Inc.," Cohen wrote.

"However, notwithstanding the merits of those business interests and disputes, they do not in any way excuse the physicians from their obligations to comply with legal requirements enacted to protect enrollees."

Cohen also stated: "If I receive reliable evidence that any particular physician is attempting to collect inappropriate charges from enrollees, I will take prompt and appropriate action to enforce the law."

Premier is owned by eight provider organizations based in rural areas throughout Arizona. Yuma PHO, Inc., is one of those organizations, and Yuma United Medical Associates, Ltd., is part owner of Yuma PHO.

MatureWell, Inc., filed an application with the Department of Insurance to acquire all of the stock in Premier from the provider organizations. The Department approved the sale on Feb. 17. However, shortly before the scheduled close of the sale, Yuma United Medical Associates, Ltd., unexpectedly rescinded its approval of the sale of Yuma PHO's stock to MatureWell, and gave notice of its intention to discontinue as part of Premier's contracted provider network.

Member physicians of Yuma United Medical Associates, Ltd. claim that Premier and Yuma PHO are delinquent in paying amounts due to physicians for services provided to Premier enrollees.

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Cohen met on Friday, March 19, with representatives of Premier and MatureWell in his Phoenix offices and was assured that the sale most likely will be finalized within the next few days.

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