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Council Member Kress Holds Insurance Committee Meeting, Calls for Investigation

16 January 2015 – Allegheny County Council Member Ed Kress convened a meeting of the Council's Special Committee on Insurance in order to discuss the effect of UPMC and Highmark's ongoing dispute on physical therapists and their patients Tuesday evening. The meeting was intended to provide additional perspective on the daily impacts of the two insurers' continuing battle on the citizens who are caught in the crossfire, but testimony from a number of sources was offered to the Committee which alleged that:

- UPMC preferentially steers its patients to the Centers for Rehabilitation Services (CRS), an entity which is owned by (and whose income feeds into) the UPMC health care system;
- UPMC acquires physicians' practices and, via contract, requires the physicians' compliance with this preferential steering;
- UPMC systematically refuses to permit virtually all independent physical therapists from joining the UPMC insurance network, thus requiring patients with UPMC insurance to choose between CRS or pay out of pocket for an independent therapist;
- CRS systematically encourages its physical therapists to bill patients for the most units of service possible;
- Because of the confusion created in the local health insurance market place due to the ongoing UPMC-Highmark dispute, senior citizens and other consumers were advised to switch to UPMC insurance products causing them to sever their existing physical therapy relationships or pay for therapy out of pocket;
- The consent decrees executed on June 27, 2014 do not protect UPMC Medicare insureds from continuing their previous relationships with physical therapists not within the UPMC network;
- UPMC's referral steering activities may violate federal law governing referral of patients covered under Medicare and/or Medicaid.

"The testimony offered at last night's meeting was quite compelling and I would like to thank all those who attended," noted Chairman Kress. "If true, these allegations point to UPMC prioritizing a private profit motive over quality of care and consumer choice, wherein UPMC doctors preferentially refer patients to CRS for rehabilitation therapy, even when they have other options available due to Medicare or other legal requirements."

Council Member Kress has announced that he intends to forward the transcript of last evening's meeting to relevant state and federal regulatory agencies for investigation of the foregoing allegations.

For additional information, please contact Council Member Kress at 412-350-6535.

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