PTPN wins appeal in PPO antitrust case

Hooper, Lundy & Bookman successfully represents PTPN in landmark case.

(Calabasas, Calif. – July 30, 2007) – In a significant win for healthcare providers who join preferred provider organizations (PPOs), as well as patients who rely on them for provider quality and selection, on July 18 the California Supreme Court refused to review the March 16 Court of Appeals ruling in favor of PTPN. This affirms a trial court judgment dismissing a suit filed by two physical therapists.

The plaintiffs had appealed a 2005 judgment by the Los Angeles Superior Court in favor of PTPN, the nation’s first and largest network of independent outpatient rehabilitation therapy providers, named in a class action antitrust lawsuit in 2004.

“This case is significant because it challenged the most fundamental principle of preferred provider networks — selectivity,” said Jay Hartz, lead attorney for PTPN in the case and head of the national law firm Hooper, Lundy & Bookman Inc.’s litigation practice. “To our knowledge, this is the first court challenge of a PPO network in California alleging group boycott. The Court of Appeal clearly agreed that PTPN’s membership criteria were part of its ‘formation’ and were thus sheltered by California Legislature statutes encouraging the formation of networks.”

PTPN President Michael Weinper, MPH, PT, noted, “We are gratified by the court’s ruling because we think it is the right decision. As we have maintained from the outset, there was no basis in law or fact for this lawsuit. Networks like PTPN have been a critical component of health care for decades, improving quality of care for consumers while keeping costs down for everyone. By holding PTPN providers to the highest standards in the rehabilitation industry, we help to ensure that patients get the best and most appropriate care from experienced therapists in private practice.”

PTPN was sued on antitrust claims, alleging group boycott and vertical/horizontal restraints of trade. The plaintiffs alleged that they were excluded from PTPN’s provider network and as a result were prohibited from serving Blue Cross of California patients as preferred providers.

Hooper, Lundy & Bookman successfully represented PTPN by arguing that the California legislature had encouraged the formation of PPO networks, that PPO networks inherently exclude some providers, that they are pro-competitive, pro-consumer, and that there was no antitrust harm. On August 10, 2005, the Los Angeles Superior Court issued a judgment on the pleadings in favor of the defendants, dismissing the case. (Lori Rubenstein Physical Therapy Inc., v PTPN, Blue Cross of California, Case No. BC317517)

About PTPN: PTPN is the first and largest specialty network of rehabilitation therapists in
independent practice. It has led the rehabilitation industry in pioneering national contracting, capitation and quality assurance programs since 1985. The network has more than 1,200 provider offices (including 5,000 physical, occupational and speech therapists) in 23 states. PTPN contracts with most of the major managed care organizations in the nation, including insurers, workers’ compensation companies, PPOs, HMOs, medical groups and IPAs. All members of PTPN must be independent practitioners who own their own practices.

For more information about PTPN, contact Stephen Moore at 818-737-0246 or smoore@ptpn.com, or visit us at ptpn.com.

About Hooper, Lindy & Bookman: Hooper, Lundy & Bookman trial lawyers are regularly engaged in all aspects of health care litigation. The firm’s Litigation Department has handled hundreds of trials, appeals, mediations and arbitrations. Its experience includes managed care disputes, antitrust, whistleblower actions, provider payment disputes with health plans, discrimination, harassment and employment disputes, medical staff issues, breach of contract and fraud actions, business torts, partnership and real estate disputes, intellectual property issues, and sanctions by state and federal agencies. With offices in Los Angeles, San Diego and San Francisco and clients in 46 states, Hooper, Lundy & Bookman is the largest law firm in the country dedicated solely to the representation of health care providers.