



Saturday, June 20, 2009

Blue Cross settles suit over denied claims

Families denied coverage for autism therapies will get reimbursements in class action case

Delores Flynn / The Detroit News

Troy -- A settlement in a class-action suit against Blue Cross Blue Shield of Michigan will provide an estimated \$1 million in reimbursements to families with children who were denied certain autism therapies.

Christopher Johns, a Warren man whose 7-year-old son is autistic, filed a lawsuit against the insurance company in May 2008 in U.S. District Court in Detroit on behalf of people who have been denied claims on the basis that applied behavioral analysis therapy is experimental. It's based on principles that behavior can change with positive and negative reinforcements.

Autism is a neurological disorder that can cause children to become withdrawn and nonverbal and avoid eye contact. About 1 in 150 American children have the disorder, according to data from the federal government, including about 7,000 in Michigan.

Federal District Court Judge Stephen J. Murphy III has ruled that Blue Cross is now required to pay anyone who received such therapy since May 1, 2003, who were covered under a Blue Cross Blue Shield of Michigan insurance policy, said the Johns family attorney, Gerard Mantese.

"I'm very happy for the families. This settlement not only makes it clear that these children should not be denied this therapy in Michigan but it moves the whole issue forward nationally," Mantese said Friday.

"This is a landmark settlement. The result here in Michigan is going to make it more and more difficult for insurance companies in other states to try to cut costs by denying critical care to children who really need it," he added.

More than 100 families will be reimbursed as part of the settlement, he said. The news comes a month after Blue Cross announced plans to offer coverage beginning July 1 for autism therapies that provide intensive early intervention such as applied behavioral analysis, to children ages 2-5.

"We are the first Michigan health care company to offer the early intervention coverage option," said Jeffrey Rumley, Blues vice president and general counsel. "The parties to the lawsuit have settled the issues in the lawsuit which relate primarily to past claims.

"We knew we could resolve this matter to the benefit of the families involved, and are pleased to be able to conclude this matter in a manner that puts the families first who received services from the early intervention program," he added.

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