

Health care fight: David vs. Goliath

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A small Deerfield Beach medical practice is suing a Coral Gables-based HMO giant for opening a competing center a few blocks away and allegedly recruiting away hundreds of patients, many elderly and from Century Village.

The alleged motive: a contractual dispute over the Deerfield Beach practice's plan to sell its operation, which was highly valued because of its mostly elderly patient rolls.

Underlying the case is the question of who had rights to the patients.

Did the Medicare recipients belong to the HMO, United HealthCare of Florida, which received federal money to pay for their treatment and contracted with the two-doctor Medamerica practice to provide their primary care?

Or did the doctor-patient ties at Medamerica make the individuals an integral part of that business and its value?

United HealthCare of Florida and its

Minnesota parent, United HealthCare Corp., said they could not comment Tuesday on specific allegations in the lawsuits.

The case's top attorney was not immediately available, preventing United HealthCare from responding to the allegations, said spokeswoman Lisa Mozloom.

United acted with "bad faith" — "targeting Medamerica for elimination" rather than allowing the practice to sell to the highest bidder, according to twin lawsuits and the attorney for chiropractor Alan R. Leavitt, Medamerica's owner.

Leavitt founded Medamerica, 2255 W. Hillsboro Blvd. Under a 1988 contract, he had employed physicians to treat patients covered by United's health plan.

The Florida HMO and its Minnesota parent — one of the nation's largest health management organizations — cut off its contract with Leavitt in 1994, recruited a Medamerica doctor, opened a competing center the following year at 1874 W. Hillsboro Blvd., and called the patients to come to the new CAC-Century Plaza cen-

ter, according to Leavitt's lawsuits and his Boca Raton attorney, Ned Kimmelman.

After two years of arbitration between Medamerica and United, a Miami arbitration panel ruled on the issues last week. Both sides claim victory.

The panel awarded Leavitt \$820,000 in compensation for "breach" of good faith and fair dealing by United. Kimmelman called it a huge award.

The HMO was the victor, a United HealthCare spokeswoman said, because the panel denied several other Leavitt claims — including punitive damages, slander and breach of contract.

The panel also ruled in United's favor on three issues: awarding the corporation \$164,000 from Leavitt for money the HMO lent his practice, breach of contract and slander.

Neither Kimmelman nor United spokeswoman Kerry Searles could say why United would be awarded \$61,000 for breach of contract.

Those awards must be confirmed by a

state court. Kimmelman filed a petition this week in Palm Beach circuit court, seeking confirmation.

"We're evaluating whether we want to ask a judge to review the one claim in favor of Dr. Leavitt," United's spokeswoman said.

Leavitt's second lawsuit, also filed this week, seeks more than \$1 million from the Minnetonka, Minn.-based United HealthCare Corporation in compensation and punitive damages.

Medamerica is still operating, but is a shell of the boom days when it served about 800 of United's Medicare patients, Kimmelman said Tuesday.

Leavitt's "physician relationships were destroyed, his patient relationships were destroyed, his reputation was destroyed," according to the lawsuit against United HealthCare Corp. "Finally, Medamerica's value was destroyed by United, which moved that value across the street to its wholly owned center, Century Plaza."