

BUSINESS

United Healthcare must pay chiropractor \$820,000

An arbitration panel ruled the HMO acted in bad faith.

By Phil Galewitz
Palm Beach Post Staff Writer

DEERFIELD BEACH — Working across from Century Village, chiropractor Alan Leavitt ran a burgeoning health center that served mostly retirees.

In December 1992, after eight years working with United Healthcare of Florida, Leavitt signed an exclusive deal to work with its Medicare HMO. In re-

turn, United pledged to help pay for a new physician and boost marketing efforts at his center. The number of patients swelled from 200 to more than 600 within 15 months.

But the healthy chiropractor-health maintenance organization relationship fell apart. In a 1995 arbitration complaint, Leavitt accused United of driving his center, MedAmerica Health Corp., virtually out of business. He claimed United stole his patients.

On Friday, an arbitration panel ruled United must pay Leavitt \$820,000 because it operated in

bad faith. The arbitrators also ruled Leavitt must pay United \$164,583 for breach of contract, money owed and slander. A Palm Beach County Circuit Court judge must approve the decision.

"We consider the ruling a victory," United spokeswoman Kerry Searles said Tuesday. She noted the panel ruled in favor of United on three counterclaims. She could not explain, though, how paying an award five times higher than Leavitt was a victory.

The HMO has not yet decided whether to appeal the award in court, she said.

Ned Kimmelman, Leavitt's attorney, said the arbitration ruling confirms his client's belief that United acted unfairly and intentionally ruined his business.

The Leavitt case represents a new twist in the increasing turmoil between HMOs and health-care providers.

Doctors have argued for years that HMOs pay them too little, get too involved in patient care decisions and often disrupt the doctor-patient relationship.

Leavitt presented a new grievance: The HMO opened a competing facility to steal his pa-

tients.

On Tuesday, Leavitt filed a lawsuit against the HMO's parent company, United Healthcare of Minneapolis. He is seeking \$1 million.

According to the suit, Leavitt, who has practiced in Deerfield Beach since 1981, said United systematically destroyed his practice:

In 1994, United (then known as CAC-Ramsey) cut the fees they paid him. Then they hired away one of the MedAmerica physicians to work at a new United health facility across the street.

Leavitt tried to sell his health center for \$2 million, but United nixed the deal saying he could sell only to them.

United officials also called MedAmerica patients and urged them to switch to its new facility, according to the suit.

"Elderly patients became confused and concerned and panic ensued throughout Century Village," the suit stated.

By the end of 1995, Leavitt contends United stole all of his 800 patients. "I was forced to start again from scratch," he said in an interview Tuesday.