

Tracking The Blue Cross Lawsuits In Michigan

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Kaiser Health News continues to track the [lawsuits against insurer Blue Cross Blue Shield of Michigan](#) (which has got to be sending chills down the spine of Blue Cross execs across the country).

Here's the latest twist: the state's largest insurer, Blue Cross of Michigan allegedly arranged to have a physical therapy program crushed because it considered the program competition.

USA Today: "As health care costs soared nationally, a small Michigan firm gave Ford Motor Co. a proposal to cut its physical therapy costs. The automaker signed up for an in-state pilot program, which was so successful Ford expanded it last year to cover about 390,000 employees, retirees and their families nationwide." But court "records allege Blue Cross used its position as the state's dominant insurer to try to crush TheraMatrix as it worked to also sign up Chrysler and General Motors. A USA TODAY review of hundreds of pages of e-mails and internal documents that are part of a lawsuit TheraMatrix filed against Blue Cross indicates that TheraMatrix's efforts to carve out a niche market in managing outpatient physical therapy costs was seen as a threat by officials at Blue Cross and by some Michigan hospitals" (Young, 11/10).

Detroit Free Press: "The domination of Blue Cross Blue Shield of Michigan throughout the state makes it difficult for other insurers to compete and drives up insurance costs for consumers with other plans, the executive director of Michigan's largest health insurance trade association said. ... In fact, several larger insurers, including Humana and Aetna, recently have stopped selling some lines of insurance, in part because of this problem, said Richard Murdock of the Michigan Association of Health Plans" (Anstett, 11/10).

About CommonHealth



Massachusetts is the leading laboratory for health care reform in the nation. It is also the hub of medical innovation. But as the nation looks on, what is the reality on the ground here? We'd like CommonHealth to be your go-to source for news, conversation and analysis about these historic efforts as they unfold. Your hosts are [Carey Goldberg](#), former Boston bureau chief of The New York Times, and [Rachel Zimmerman](#), former health and medicine reporter for The Wall Street Journal