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SUMMARY JUDGMENT FOR POGO CLIENT IN MULTIDISTRICT LITIGATION AFFIRMED ON APPEAL

On Wednesday, June 13, just one week after oral argument, the Eleventh Circuit Court of Appeals affirmed the grant of summary judgment to our client, Coventry Health Care, Inc., in the lead case in the Managed Care Multidistrict Litigation. So ended more than seven years of litigation in which a class of 700,000 doctors sued 10 of the country's largest managed health care companies, alleging a nationwide conspiracy to defraud doctors by secretly programming their computers to systematically underpay doctors for services that the doctors provided to the defendants' insured members. After extensive motion practice, the only claims that remained at the end were RICO conspiracy and aiding and abetting claims.

During the course of the litigation seven of the 10 defendants settled with the plaintiffs at the cost of hundreds of millions of dollars in cash payouts and attorneys' fees to the plaintiffs' attorneys. In addition, the settling defendants agreed to make changes to their business processes through prospective relief. Coventry and two other defendants declined to settle, however, and obtained summary judgment.

The trial court found that there was no evidence of the conspiracy that the plaintiffs alleged. The Eleventh Circuit agreed, in a one paragraph per curiam decision.

Powell Goldstein's Tort Litigation and Environmental and Health Care practice groups, led by Bob Denham, joined forces to defend Coventry in the litigation.

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