
NEWS RELEASE

FOR IMMEDIATE RELEASE
May 18, 2007

Contact: Deborah Mathis
(202) 861-5246 dmathis@publicjustice.net

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FEDERAL COURT SETTLEMENT WILL REPAY HUNDREDS OF MARYLAND INSURED DOUBLE-BILLED BY THEIR HMO *Policy Holders Will Get Refunds, Some in Thousands of Dollars*

A federal district court has preliminarily approved a class action settlement of **\$2.85 million** to hundreds of Optimum Choice insurance customers in Maryland who were required to fork over money they collected from other parties in connection with the same injury or illness.

Settlement of the class action case brought by a team of lawyers, including **Public Justice (formerly Trial Lawyers for Public Justice)**, the 25-year-old Washington-based public interest law firm, will recover various amounts of up to thousands of dollars for the 873 people who were illegally charged in what the suit alleges amounted to “double-billing” by Optimum Choice.

For example, if a person who was injured in a car accident collected \$15,000 in hospital and medical benefits from his Optimum Choice policy and also successfully sued the driver that hit him for \$10,000, Optimum Choice would demand repayment of the \$10,000 – what the law calls “subrogation payments.” In 2000, Public Justice won a landmark case holding that it was illegal for HMOs in Maryland to collect subrogation from their members.

“In effect, Optimum Choice was billing its customers twice for the same medical care,” said **Kieron F. Quinn** of Quinn, Gordon & Wolf, Chtd. in Towson, Md., lead counsel for the plaintiffs. “The company collected health care premiums from its customers and, when it had to pay hospital or doctor bills, demanded to be repaid in full from its customers’ rightful claims for damages. What a deal.”

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The suit, titled *Miller v. Optimum Choice, Inc.*, was filed in May, 2000. That same year, the Maryland Legislature authorized HMOs like Optimum Choice to collect subrogation payments under certain conditions. Later, however, the Public Justice team won a landmark constitutional decision from the Maryland Court of Appeals striking down a retroactivity clause in the statute that legitimized subrogation payments collected before the law was passed.

The new settlement covers subrogation payments collected by Optimum Choice between June 1, 1997 and May 31, 2000. The affected customers are not required to submit a claim to be reimbursed, but will automatically receive a check if they can be located and have not elected to “opt out,” exempting themselves from repayment. The final hearing on the proposed settlement is scheduled for August 17.

Public Justice Staff Attorney **F. Paul Bland, Jr.**, and former Public Justice attorney **Richard Frankel**; Baltimore attorney Martin Wolf of Quinn, Gordon & Wolf, Chtd., **Robert K. Jenner** of Janet, Jenner & Suggs, LLC ; and **Bruce M. Plaxen** of Plaxen & Adler in Columbia, Md., also represented the plaintiffs in the case.

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Public Justice is the only national public interest law firm dedicated to using trial lawyers' skills and resources to advance the public good. Founded in 1982, Public Justice utilizes a nationwide network of more than 3,500 outstanding trial lawyers to pursue precedent-setting and socially significant litigation. It has a wide-ranging litigation docket in the areas of consumer rights, environmental protection, toxic torts, worker safety, civil rights and liberties, and access to the courts. Public Justice is the principal project of The Public Justice Foundation, a not-for-profit membership organization. It has offices in Washington, DC, and Oakland, CA. The State Coordinator in Maryland is Simon K. Walton of Baltimore, MD, tel. 410-235-6425. Visit the Public Justice website at www.publicjustice.net.