

Florida Says HMO's Violate Racketeering Laws

Florida Attorney General Bob Butterworth has subpoenaed Hartford, Connecticut-based Aetna Inc. and Louisville, Kentucky-based Humana Inc. as part of a broad-based investigation. The probe is being conducted under state racketeering laws, known as RICO.

The investigating of two of the nation's largest HMOs to determine whether the plans illegally denied or limited medical care.

Florida's investigation was revealed in a memo filed with the Judicial Panel on Multidistrict Litigation, a federal panel that rules on jurisdictional issues in complex matters of litigation. That panel ruled on Monday that several major class-action lawsuits filed against the nation's largest HMOs should be consolidated in federal court in Miami.

Judge Federico A. Moreno of the US District Court for the Southern District of Florida now presides over the cases, which target Aetna and Humana as well as Cigna Corp., Foundation Health Systems, PacifiCare Health Systems, Prudential HealthCare and United Healthcare. As many as 20 managed care lawsuits filed across the country may be consolidated.

The cases revolve around the alleged failure of some of the nation's largest HMOs to disclose financial incentives to deny or limit medical care services. Last November Humana became the first national HMO to be named in a federal class action, which seeks millions in damages. The legal strategy has been repeated numerous times across the country, including a batch of lawsuits filed against six large national companies this summer.