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Judge sets trial date for suit against Blue Cross

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/ The Detroit News

Detroit— A federal judge on Friday set an April 2013 trial date for the landmark lawsuit pitting the U.S. Justice Department and the Michigan Attorney General's office against Blue Cross Blue Shield of Michigan, alleging the insurer's use of certain hospital contracts stifles competition and drives up costs for consumers.

U.S. District Judge Denise Page Hood also formally denied the insurance company's request to dismiss the case. She had signaled her intent to dismiss during a June hearing.

The case against the Blues, the state's dominant health insurer, has garnered national attention, and the Justice Department has said it is investigating possible similar anti-competitive practices in other states.

The lawsuit contends the Blues signed contracts with more than half of Michigan's acute care hospitals that prevent them from charging other insurance companies lower prices. In some cases, the governments argue, Blue Cross Blue Shield of Michigan agreed to boost reimbursements to hospitals if they charged competing insurance companies higher rates.

The Blues, the state's insurer of last resort with 4.3 million Michigan members, asked Hood last December to dismiss the case because Michigan has unique insurance regulations, its use of "most favored nation" clauses has already been approved by the state's insurance commissioner and the contract conditions help to keep down costs for its members.

Hood rejected that request and set the trial for April 2, 2013. The Blues have already indicated they will appeal Hood's decision.

