

**AMERICAN ARBITRATION ASSOCIATION  
NO-FAULT/ACCIDENT CLAIMS**

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In the Matter of the Arbitration between

(Claimant)

v.

LIBERTY MUTUAL INSURANCE  
(Respondent)

AAA CASE NO.: 18 Z 600 13981 1

INS. CO. CLAIMS NO.:

LA325107066003

DRP NAME: Andrew A. Patriaco

NATURE OF DISPUTE: PPO Agreement

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**AWARD OF DISPUTE RESOLUTION PROFESSIONAL**

**I, THE UNDERSIGNED DISPUTE RESOLUTION PROFESSIONAL (DRP)**, designated by the American Arbitration Association under the Rules for the Arbitration of No-Fault Disputes in the State of New Jersey, adopted pursuant to the 1998 New Jersey “Automobile Insurance Cost Reduction Act” as governed by *N.J.S.A. 39:6A-5, et. seq.*, and, I have been duly sworn and have considered such proofs and allegations as were submitted by the Parties. The Award is **DETERMINED** as follows:

Injured Person(s) hereinafter referred to as: S.L.

1. ORAL HEARING held on July 17, 2002.
2. ALL PARTIES APPEARED at the oral hearing(s) .

NO ONE appeared telephonically.

3. Claims in the Demand for Arbitration were AMENDED and permitted by the DRP at the oral hearing (Amendments, if any, set forth below). STIPULATIONS were not made by the parties regarding the issues to be determined (Stipulations, if any, set forth below).

The amount claimed was amended to \$1,369.58.

4. FINDINGS OF FACTS AND CONCLUSIONS OF LAW:

This is a claim arising out of an accident that occurred on October 3, 2000.

Claimant submitted the following documents:

- 1) Demand for Arbitration received on August 27, 2001 with attachments.
- 2) Arbitration statement with Exhibits A-F.
- 3) Certification of services.
- 4) Letter dated September 6, 2002 with exhibits.

Respondent submitted the following documents:

- 1) Letter dated October 4, 2001.
- 2) Letter dated March 8, 2002.
- 3) Letter dated July 15, 2002 with attachments.
- 4) Letter dated October 11, 2002 with attachments.

The amount in issue, \$1,369.58, represents a PPO reduction of \$1,094.92 and a 50% pre-certification penalty in the amount of \$274.66.

First, respondent contends that it is entitled to a PPO reduction in that the provider entered into a PPO agreement with Consumer Health Network.

I have reviewed the post hearing submissions of the parties. The claimant, Doctor Prasad, did sign a PPO agreement on behalf of Pavonia Medical Associates, 600 Pavonia Avenue, Jersey City, New Jersey on August 1, 1996. She signed as the authorized representative of Pavonia Medical Associates.

Claimant has also provided a certification from Doctor Prasad. She states that she was an employee of Pavonia Medical Associates on August 1, 1996, the time when she signed the agreement on behalf of Pavonia Medical Associates. In March of 1997, Doctor Prasad opened a private practice at 600 Plaza Drive in Secaucus, N.J. This practice was separate and apart from Pavonia Medical Associates. She resigned from Pavonia in January of 2001 and opened another facility at 319 60th Street in West New York, N.J.

The bill in issue represents services that occurred on February 22, 2001 and March 8, 2001. These services occurred after Doctor Prasad had left Pavonia Medical Associates.

Respondent has submitted the certification of Joseph G. Wood, Esquire, vice president and corporate counsel for CHN. In essence, Mr. Wood asserts that "all covered services rendered by the individual medical provider who has contracted with CHN are subject to the Participating Provider Agreement. Thus, the Participating Provider Agreement follows the individual medical provider."

I have reviewed the entire submissions of the parties. I find that the PPO agreement relied upon by respondent does not apply to Doctor Prasad in her individual capacity. Doctor Prasad signed the agreement as an authorized representative of Pavonia Medical Associates. She did not sign an agreement in her individual capacity. The agreement is not binding upon her. The services in issue occurred after Doctor Prasad had left Pavonia Medical Associates. Thus, the PPO reduction taken by respondent was inappropriate. Therefore, I award \$1,094.92 on this portion of the claim.

Next, respondent applied a 50% co-payment for services provided on March 8, 2001. Respondent applied this co-payment contending that claimant failed to comply with its

pre-certification plan/decision point review. In this matter, respondent contends that claimant's pre-certification request was faxed to an incorrect number. The request was faxed to 732-805-9647. The insurance card provided to the insured provides a different fax number for its utilization management.

Based on the foregoing, I find that respondent's application of the 50% penalty was appropriate. Claimant failed to comply with respondent's pre-certification plan in accordance with N.J.A.C. 11:3-4.5(b). Thus, this portion of the claim is denied.

Counsel for claimant seeks a fee of \$1,500.00 which represents 6 hours at \$250.00 per hour. Pursuant to Rule 30, I award \$975.00 as attorney's fees.

5. MEDICAL EXPENSE BENEFITS:

Awarded

Provider                      Amount Claimed              Amount Awarded      Payable to

Provider	Amount Claimed	Amount Awarded	Payable to
Doctor Nalini Prasad	\$1,369.58	\$1,094.92	Provider

Explanations of the application of the medical fee schedule, deductibles, co-payments, or other particular calculations of Amounts Awarded, are set forth below.

6. INCOME CONTINUATION BENEFITS: Not In Issue

7. ESSENTIAL SERVICES BENEFITS: Not In Issue

8. DEATH BENEFITS: Not In Issue

9. FUNERAL EXPENSE BENEFITS: Not In Issue

10. I find that the CLAIMANT did prevail, and I award the following COSTS/ATTORNEYS FEES under N.J.S.A. 39:6A-5.2 and INTEREST under N.J.S.A. 39:6A-5h.

(A) Other COSTS as follows: (payable to counsel of record for CLAIMANT unless otherwise indicated): \$325.00

(B) ATTORNEYS FEES as follows: (payable to counsel of record for CLAIMANT unless otherwise indicated): \$975.00

(C) INTEREST is as follows: waived per the Claimant.

This Award is in **FULL SATISFACTION** of all Claims submitted to this arbitration.

October 25, 2002

Date

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Andrew A. Patriaco, Esq.